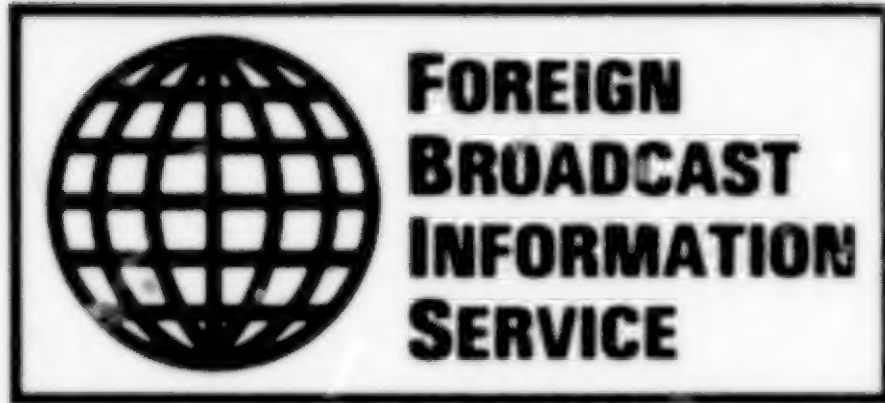




Daily Report

East Asia

FBIS-EAS-90-225
Wednesday
21 November 1990

Daily Report

East Asia

FBIS-EAS-90-225

CONTENTS

21 November 1990

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Iraq's Release of Germans Seen as 'Reconciliation' [KYODO]	1
LDP Official on Trade Agreement With N. Korea [KYODO]	1
Says N. Korea Ready for Talks [KYODO]	1
JSP Head: N. Korea Wants More 'Compensation' [KYODO]	1
Diplomat in Seoul Recalled for 'Kickback' Probe [KYODO]	2
Singapore Minister on ASEAN Role in Cambodia [KYODO]	2
DSP Calls on JSP To Join Peace Bill Talks [KYODO]	3
Suharto Gives 'Tacit' Support to SDF Deployment [KYODO]	3
Kanemaru Reiterates SDF Deployment Opposition [KYODO]	4
Kanemaru Meets PRC Vice Premier in Tokyo [KYODO]	4
Kaifu Meets With Dubcek, Discusses Relations [KYODO]	5
Soviet Official Proposes Treaty on Salmon Fishing [KYODO]	5
Okinawa Governor-Elect Outlines Policies [RYUKYU SHIMPO 19 Nov]	5
Editorial Views Election [OKINAWA TIMES 19 Nov]	7
'Radical Group' Suspected in Destruction of Shrine [KYODO]	7
Emperor To Complete Enthronement Ceremony 22 Nov [KYODO]	8
Religious Groups Respond [KYODO]	8
Police Survey Reveals Extensive Extortion [KYODO]	10
U.S. Senator Warns of Trade Retaliation [KYODO]	10
U.S. Expects 'Constructive' Trade Proposal [KYODO]	11
Source: U.S. Trade Data Not To Affect Policy [KYODO]	11
U.S. Firm Claims Airport Plan 'Irregularities' [KYODO]	12
Talks on Opening of Construction Market Planned [KYODO]	13
Major Trading Houses Report Declining Profits [KYODO]	13
Central Bank Governor Confident in Economy [KYODO]	13
Finance Ministry Forbids Subordinated Loans [KYODO]	14
Bank Loans for Land Transactions Decrease [KYODO]	14

North Korea

Official Accepts Seoul Music Festival Invitation [Pyongyang Radio]	15
N-S To Meet 27 Nov Prior to High-Level Talks [Pyongyang Radio]	15
South Premier Kang Yong-hun's Remarks Denounced [Pyongyang Radio]	15
Daily on South's Social Disorder, 'Suppression' [KCNA]	17
U.S. Plans To Reinforce S. Korean Army Denounced [KCNA]	17
Air Force Exercises of U.S., ROK Reported [KCNA]	17
Soviet Ambassador Attends Opening of Film Week [KCNA]	18
Japanese Groups Urge Normalization of Ties [KCNA]	18
Youth Group in Japan Holds 'Frontrankers' Meeting [KCNA]	18
Friendship Delegation Leaves for Cuba [KCNA]	19
KCNA Reviews 21 Nov Pyongyang Press	19
Sociopolitical Life Under Party Viewed [Pyongyang Radio]	19

South Korea

N-S Meeting Ends Without Draft Agreement [YONHAP]	22
Adoption of Nonaggression Declaration 'Difficult' [CHUNGANG ILBO 18 Nov]	22

Defense Ministry Announces Redeployment Plans	[THE KOREA TIMES 21 Nov]	22
Prosecutor Decides Jurisdiction for U.S. Soldiers	[SEOUL SINMUN 15 Nov]	23
Seoul To Make Some Concessions on U.S. Trade	[YONHAP]	23
Consumer Groups Threaten To Boycott U.S. Goods	[YONHAP]	23
Soviet Delegation Arrives To Discuss Tax Issue	[THE KOREA HERALD 17 Nov]	24
Soviet Economic Delegation Cancels Seoul Visit	[THE KOREA TIMES 21 Nov]	24
Soviets Ask for Help To Commercialize Technology	[YONHAP]	24
Samyang Foods To Open Noodle Factory in USSR	[YONHAP]	25
Paper Says Japan To Negotiate With North in Dec	[THE KOREA HERALD 17 Nov]	25
Ministerial Meeting With Japan Set for 26-27 Nov	[YONHAP]	26
No Progress in Talks on Koreans in Japan	[YONHAP]	26
China's Stance on UN Membership Analyzed	[THE KOREA HERALD 17 Nov]	26
Kuwaiti Minister Appreciates Seoul's Support	[YONHAP]	27
Iran Proposes Sports, Economic Exchanges	[YONHAP]	27
Yi Su-hwan To Head Consulate General in Hamburg	[YONHAP]	28
First Visit of Singaporean Foreign Minister	[YONHAP]	28
Deputy Premier on Combating Projected Stagflation	[YONHAP]	28
1990 Exports, Sales Increase; Profits Decrease	[YONHAP]	28
Oil Prices Expected To Rise 20-25 Percent	[THE KOREA TIMES 18 Nov]	29
Minister on Possible Price Hikes	[YONHAP]	29
Government To Pay Farmers More for Rice	[YONHAP]	29
Security Agency Arrests Subversive Group Members	[YONHAP]	30
Police Charge 8 Labor Activists With Subversion	[YONHAP]	30
Crime Rate Declines Under No's 'War on Crime'	[YONHAP]	30
Labor Minister Plans Crackdown on Illegal Strikes	[YONHAP]	30
Teachers' Rally Results in Clash With Police	[THE KOREA TIMES 20 Nov]	30

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

Minister Discusses Security for Pilgrims in Gulf	[Kuala Lumpur International]	32
Petronas Selects Three Companies for Project	[BERNAMA]	32
Talks on PRC Steel Project May Take More Time	[BERNAMA]	32
Israel Urged To Withdraw From Palestine	[Kuala Lumpur International]	32
Minister on Election to UN Economic Council	[Kuala Lumpur International]	33
Abu Hassan Meets Mauritian, Namibian Ministers	[BERNAMA]	33
Trade Cooperation Accord Signed With Mali	[BERNAMA]	33
Military Exercise With Indonesia Ends 20 Nov	[Kuala Lumpur TV]	33
Mahathir, Ghafar Baba Retain Executive Posts	[Kuala Lumpur Radio]	34

Cambodia

Son Sann Accused of Misinterpreting Document	[SPK]	34
More Enemy Deserters Reported in Kompong Thom	[SPK]	35
Radio Reports 4-10 Nov Military Activities	[Phnom Penh Radio]	35
Hun Sen Speaks at Video Film Festival Closing	[Phnom Penh Radio]	35
Citizens Urged To Flee Kompong Thom Town	[VONADK]	36
VOK Rules Out Phnom Penh Claim in Memorandum		36
Statement Regarding Hanoi Memorandum Broadcast	[VONADK]	37

Indonesia

Coverage on Suharto Visit to Japan, PRC, SRV		41
Talks in SRV Reported	[Jakarta Radio]	41
Former Communists 'May Return'	[ANTARA]	42
Delegation Arrives Home	[Jakarta Radio]	43
Radio Hails PRC Visit	[Jakarta Radio]	43
Paper Calls Visit 'Significant'	[Jakarta Radio]	44

Action Planned on Articles Insulting Suharto [Jakarta Radio]	44
Government To Try 12 Firms on Labor Violations [AFP]	44

Philippines

PRC Recalls Ambassador To Protest Taiwan Act [Manila Radio]	44
Lack of Funds for Bases' Conversion Admitted [BUSINESS WORLD 21 Nov]	45
Foreign Creditors Demand Oil Price Increase [THE MANILA CHRONICLE 21 Nov]	45
Senators Again Urge Foreign Debt Repudiation [Manila Radio]	46
ADB Approves SDR Loan for Water Project [BUSINESS WORLD 21 Nov]	46
Aquino Said Considering Cabinet Revamp [Manila Radio]	47
Ramos Assures More Security Against Bombings [Manila Radio]	47
Authorities Arrest Honasan Aide in Paranaque [Manila Radio]	47
Two Constabulary Commanders Relieved of Posts [DIYARYO FILIPINO 21 Nov]	47
Report on Army Defectors to NPA Denied [MANILA BULLETIN 21 Nov]	48
'Rebels' Kill Seven in Iligan; Raid Cacao Farm [Manila Radio]	48
CPP-NPA Said Setting Up Seaborne Units [Manila Radio]	48
Warships Converted From Patrol Boats Launched [Manila Radio]	48

Thailand

Chatchai Leaves Bangkok To Meet With King	48
Resignation Rumors Not Confirmed [AFP]	48
Chatchai Refuses Comment [Bangkok Radio]	49
Army Chief, Officers Arrive [Bangkok TV]	49
Ministers Discuss Chatchai Resignation Rumors [Bangkok Radio]	49
Military 'Will Not Raise' Reshuffle Issue [BANGKOK POST 21 Nov]	50
Minister on SRV Talks; Do Muoi Plans Visit [Radio VOFA]	50
U.S. Accused of 'Dirty Tricks' in Aviation Talks [MATICHON 21 Nov]	50
Minister, Security Chief on Burmese Students [Bangkok TV]	51
Measures To Control Burmese Dissidents Viewed [BAN MUANG 20 Nov]	51
Yala Schools Remain Closed Following Attacks [BANGKOK POST 20 Nov]	52
Workers Petition Chatchai for Wage Increase [Bangkok Radio]	52
First Payments Deficit 'in Many Years' Reported [THE NATION 15 Nov]	52
Central Bank Raises Standard Lending Rate [BANGKOK POST 14 Nov]	53

Vietnam

Further Reportage on Visit of Suharto, Delegation	53
'Text' of Suharto Dinner Speech [Hanoi Radio]	53
Cooperation, Friendship Stressed [VNA]	55
Mausoleum, Museum Visited [VNA]	55
Details of Tours Given [Hanoi Radio]	55
Talks With Vo Chi Cong, Do Muoi [VNA]	55
Indonesian Minister Supports Aid [ANTARA]	56
Foreign Ministers Hold Talks [VNA]	56
Finance Venture Contract Signed [VNA]	56
Alatas Cited on Bilateral Ties [VNA]	57
Joint Warning to Cambodians [AFP]	57
Cambodia's Hor Namhong Holds Meetings, Departs [Hanoi Radio]	58
Illegal Emigration Case To Come to Trial [Hanoi Radio]	58

AUSTRALASIA

Australia

Australian Arabs To Seek Release of Hostages [Melbourne International]	59
--	----

Fiji

Deficit Budget Stresses Tourism, Deregulation [AFP]	59
---	----

French Polynesia

More Trade With Australia, Nuclear Tests Viewed [AFP] 60

New Zealand

Minister Insists on Agriculture in GATT Talks [AFP] 60

Japan

Iraq's Release of Germans Seen as 'Reconciliation'

OW2111040090 Tokyo KYODO in English 0348 GMT
21 Nov 90

[Text] Tokyo, Nov. 21 KYODO—Chief Cabinet Secretary Misoji Sakamoto said Wednesday he believes Iraq is releasing hostages because its strategy of detaining foreign nationals has not been a success.

Sakamoto said Iraq's decision Tuesday to release all remaining German hostages appeared to be linked to a new policy of rapprochement, as well as its military strategies. "Iraq appears to be moving toward a strategy of reconciliation because it believes its hostage strategy has not necessarily been successful," Sakamoto told a regular news conference. He suggested the harsh international criticism of Iraq for its detaining of foreigners has been effective. Sakamoto declined to comment, however, on why Iraq continues to hold Japanese, American, and British hostages, saying it was a result of Iraq's own judgment.

Baghdad Radio quoted Iraqi President Saddam Husayn as telling the legislature Tuesday that the release is linked to comments by German Chancellor Helmut Kohl against a Gulf war.

Sakamoto said Japan's call for continued dialogue with Iraq does not include compromising or negotiating for release of hostages.

The top government spokesman reiterated Japan's demand for the immediate implementation of U.N. resolutions calling for the unconditional release of all hostages and Iraq's withdrawal from Kuwait.

LDP Official on Trade Agreement With N. Korea

OW2111094790 Tokyo KYODO in English 0925 GMT
21 Nov 90

[Text] Tokyo, Nov 21 (KYODO)—A Liberal Democratic legislator just back from Pyongyang said Wednesday that he has agreed with North Korea to conclude new private arrangements on the exchange of trade missions and on payment of the country's trade debt to Japan.

Yoichi Tani, a member of the House of Representatives, visited North Korea for five days from November 16 in his capacity as chairman of the nongovernmental Japan-(North) Korea Trade Association.

In Pyongyang, he had talks with Kim Tal-hyon, vice premier and chairman of the External Economic Commission, and Li Song-rok, chairman of the Korean Trade Promotion Committee. Tani told a press conference that both sides agreed on the need to frequently exchange trade and economic missions after normalization of their relations. A preparatory Japanese delegation will be sent

to Pyongyang in January, to be followed by a full-fledged buying mission in April, he said.

Tani said a North Korean delegation will come to Japan at a date yet to be fixed. Both sides agreed to hold a commodity fair in each other's country next fall, he added. Tani said officials from his association and the Korean Trade Promotion Committee will meet in January to conclude a new agreement to reschedule Korea's outstanding trade debt to Japan, estimated at some 80 billion yen in principal and interest.

Says N. Korea Ready for Talks

OW2111020490 Tokyo KYODO in English 0129 GMT
21 Nov 90

[Text] Tokyo, Nov. 21 KYODO—North Korea is ready to open talks with Japan to settle its huge trade debt problems, according to a ruling Liberal Democratic Party (LDP) Diet member.

Yoichi Tani said North Korean officials have promised to conclude a new pact with Japan to renew the present debt repayment agreement which expired in December 1989 in a bid to solve the trade payment issue that has blocked economic relations between the two countries.

Tani, a House of Representatives member and head of the Japan-Korea Trade Association, was speaking to reporters Tuesday night after returning home from a visit to Pyongyang. He held two rounds of talks with North Korean Vice Premier Kim Tal-hyon on the 80 billion yen debt North Korea owes Japan. In the talks, the Pyongyang side also pledged consultations with Japan on concrete terms of repayment of debts, including the period, he said.

A delegation of the Japan-Korea Trade Association and Japanese business representatives will visit Pyongyang in January to start the talks on the new pact, Tani said.

North Korea's delay in clearing trade bills owed since the late 1970s and suspension of interest payments since December 1983 have pushed its trade debts to Japan to some 80 billion yen.

Kim, while admitting North Korea has not enough money to pay back its debts to Japan at present, stressed his positive attitude toward starting the talks, he said.

The North Korean vice premier also indicated enthusiasm for expanding trade ties with Japan, adding that his country wants to boost exports for economic rehabilitation and Japan is a major trading partner, Tani said.

JSP Head: N. Korea Wants More 'Compensation'

OW2111120990 Tokyo KYODO in English 1017 GMT
21 Nov 90

[Text] Tokyo, Nov 21 (KYODO)—The head of a Japan Socialist Party (JSP) delegation just returned from North Korea said Wednesday that Japan may be asked to pay

more in compensation to Pyongyang than it did when it normalized relations with Seoul in 1965.

House of Representatives member Yuzuru Shimazaki, who led the JSP delegation, briefed reporters on his five meetings with Kim Yong-sun, international affairs secretary for the (North) Korean Workers' Party [KWP]. According to Shimazaki, the KWP said its basic stance is that compensation to North Korea does not need to be balanced with the normalization of relations between Tokyo and Seoul in 1965. At that time, Tokyo agreed to provide Seoul with economic assistance and low interest loans totaling 500 million dollars by way of compensation for Japan's harsh 1910-1945 colonial rule of the peninsula.

In suggesting more compensation for North Korea, the KWP told Shimazaki that, because Japan usurped valuable natural resources from the mineral-rich northern half of the peninsula during the colonial period, there is no reason to seek a sense of balance with South Korea. Kim also told Shimazaki that he is slated to head a KWP delegation to Tokyo when the schedule is decided but added that he would be troubled if the schedule is late.

The KWP delegation, which was originally scheduled to visit Tokyo sometime in late November or early December at the joint invitation of the JSP and Japan's ruling Liberal Democratic Party [LDP], may now visit in January or later.

Japan and North Korea have held two rounds of preliminary talks in Beijing in an effort to lay out a basis for future normalization negotiations, but have yet to agree on when, where and at what level to hold the negotiations, or what to put on the agenda.

The KWP and members of the JSP and LDP, including former Deputy Prime Minister Shin Kanemaru, issued a joint statement in September calling for the normalization talks and compensation to North Korea.

Diplomat in Seoul Recalled for 'Kickback' Probe

OW2011141590 Tokyo KYODO in English 1208 GMT 20 Nov 90

[Text] Tokyo, Nov 20 (KYODO)—A Japanese Embassy counsellor in Seoul, accused of receiving a 400,000 yen kickback for helping a Japanese businessman, returned to Tokyo Tuesday for questioning by Foreign Ministry officials.

According to the president of a Fukuoka Trading Company, the diplomat demanded the money after he helped the businessman regain 2 million yen of an 11 million yen advance given to two South Korean businessmen in a failed deal. The counsellor has categorically denied all charges against him and has returned to Tokyo to cooperate with the ministry's investigation into the allegations.

The Fukuoka businessman said he handed over 2 million won (approximately 400,000 yen) to the diplomat at the

embassy in mid-October. The diplomat allegedly pocketed 400,000 won (80,000 yen) while promising to pay the rest of the money to a South Korean prosecutor who helped in retrieving the 2 million yen.

Meeting in March 1988 at a Japan-South Korea business fair sponsored by the Japan External Trade Organization in Fukuoka, the businessman and his South Korean counterparts agreed to start a joint venture importing sea cucumber from the Philippines for sale in South Korea.

The Japanese businessman reportedly advanced some 11 million yen to his Korean partners last December for the deal and later demanded they return the money after the venture flopped.

In February, the Japanese businessman reportedly asked the diplomat to intercede after the two South Koreans refused to pay. The diplomat met the two Koreans and talked to the South Korean prosecutor and eventually got 2 million yen back from the Korean partners in September, reports said.

The counsellor, on assignment from Japan's National Police Agency, became acquainted with the Fukuoka businessman when the counsellor was stationed at Fukuoka Prefectural Police Headquarters.

Singapore Minister on ASEAN Role in Cambodia

OW2111110790 Tokyo KYODO in English 0943 GMT 21 Nov 90

[Text] Tokyo, Nov. 21 KYODO—Singapore's Foreign Minister Wong Kan Seng said Wednesday that the Association of Southeast Asian Nations (ASEAN) may form a regional force to participate in United Nations peacekeeping operations in a post-ceasefire Cambodia, a Foreign Ministry official said. Officials said Wong made the remarks in a meeting with his Japanese counterpart Taro Nakayama.

Wong was quoted as saying that the six ASEAN nations are now considering whether they should contribute to post-ceasefire international operations in Cambodia by dispatching several peacekeeping teams formed on a national basis or a single regional one. But he added that the topic has yet to be discussed among the foreign ministers of ASEAN countries.

Officials said Nakayama called the idea of a subregional peacekeeping team "very interesting." He added that Japan also wants to play a role in laying the foundations for peace in Cambodia, and noted that the Japanese people are starting to realise that Japan should share in U.N. peace maintenance activities, including the dispatch of personnel.

In response to Nakayama's remark that Vietnam appears to be making progress with its economic reforms, Wong replied that while that may be so, it would be premature to resume economic assistance to Hanoi as political reforms have not kept pace. Alluding to Vietnam's

stance on the Cambodia question, he suggested that Hanoi "take responsibility for what it did 12 years ago."

Vietnam invaded Cambodia in December 1978 and ousted the Pol Pot regime from power. Japan and other major aid donors have since frozen aid, but Vietnam has been calling for a resumption.

Wong said that the reconvening of the Paris International Conference on Cambodia, which was expected to take place within the year, will not be easy to arrange. He said that the Hanoi-installed government in Phnom Penh under Prime Minister Hun Sen is making various demands in relation to the tripartite resistance coalition, but does not appear to be conciliatory. Nakayama, meanwhile, said that Japan has heard that Hun Sen's position in the government has weakened. He said it is a cause for concern, according to officials.

Officials said Wong reiterated Singapore's belief that strong political and economic relations between Japan and the United States will benefit the Asia-Pacific region as a whole. The U.S.-Japan relations have been strained recently over the Uruguay Round of multinational trade negotiations and Japan's belated response to the Persian Gulf crisis.

Wong said the Iraqi invasion of Kuwait illustrates the dangers faced by small states. He said that if aggression is allowed to go unchecked, "that will condone aggression by large states against small states."

Singapore First Deputy Prime Minister Goh Chok Tong's remark last August that "there is a lesson in the Iraqi invasion of Kuwait for us" drew sharp media responses from neighboring Malaysia and Indonesia.

Responding to a query from Wong, Nakayama said that Japan is interested in proposals advanced by Canada and Australia for an Asian version of the Conference on Security and Cooperation in Europe (CSCE). The Soviet Union and Mongolia also have proposed such a forum. But Nakayama stressed that circumstances in Europe and Asia are fundamentally different, officials said. He stressed the necessity of first resolving the Cambodian conflict and lowering tension on the Korean peninsula.

As a first step toward a more comprehensive regional dialogue, Nakayama proposed that Asian foreign ministers meet as frequently as possible.

Officials clarified that Nakayama was referring to regional meetings similar to those he hosted with Indonesia last September at the U.N. headquarters in New York, in which the Soviet Union was also included.

DSP Calls on JSP To Join Peace Bill Talks

OW1611065690 Tokyo KYODO in English 0600 GMT 16 Nov 90

[Text] Tokyo, Nov. 16 KYODO—The chairman of the Democratic Socialist Party (DSP) on Friday called on the Japan Socialist Party (JSP) to join discussions on

working out new legislation to replace the failed United Nations Peace Cooperation Bill.

Keigo Ouchi told the fourth-largest opposition party's central committee that Japan should not remain "an onlooker" who just offers money when the world's peace and prosperity is being threatened.

Ouchi said he will call on the JSP to actively participate in discussions based on the agreement between the ruling Liberal Democratic Party (LDP), Komeito, and the DSP in order to draw up a new measure enabling Japan to contribute more to "restoring and maintaining" peace in the world.

The failed bill caused uproar both in Japan and in some Asian countries because it would have sent members of the Self-Defense Forces (SDF) to troubled regions such as the Persian Gulf.

It was killed in the extraordinary session of the Diet that ended last week.

The LDP, Komeito, and the DSP agreed after the bill failed to make an effort to draw up a new bill.

According to the tripartite agreement, a new corps that excludes SDF personnel will be created to take part in U.N.-sponsored peacekeeping operations.

The JSP, the largest opposition party, refused to attend the meeting of the three parties, saying the proposal being discussed did not clearly rule out the possibility of the SDF becoming involved in military aspects of U.N. peacekeeping activities.

Suharto Gives 'Tacit' Support to SDF Deployment

OW1311201590 Tokyo KYODO in English 1331 GMT 13 Nov 90

[Text] Tokyo, Nov. 13 KYODO—Indonesian President Suharto on Tuesday appeared to give tacit support to Japan's scheme for dispatching Self-Defense Forces (SDF) abroad to help in international peacekeeping efforts, according to Indonesian sources.

Suharto, here to attend enthronement ceremonies for Emperor Akihito, expressed his view that Indonesia will not oppose Japan even if it should opt for overseas SDF deployment, at a luncheon meeting hosted by the Japan-Indonesia Association led by former Finance Minister Michio Watanabe, the sources said.

Japan's ruling Liberal Democratic Party, in the first open postwar move toward sending troops abroad, unsuccessfully submitted a bill to the Diet which sought to pave the way for noncombat members of the SDF to engage in United Nations-initiated peace activities. The bill did not pass the Diet session, which ended late last week, due to objections from the opposition camp.

Asian nations including China, South Korea, and the Philippines, which experienced Japanese aggression in

the past, have expressed concern over the move and urged a "cautious attitude" in sending troops overseas.

Outgoing Singaporean Prime Minister Lee Kuan Yew, in an interview with KYODO NEWS SERVICE on Tuesday, also indicated that he would not be opposed to Japan's dispatch of troops abroad.

Indonesia is a major non-Arab supplier of oil to Japan while Tokyo is a leading donor of economic assistance to Jakarta.

Watanabe's office was not immediately available for comment.

The sources said Jakarta's policy under Suharto is to seek international cooperation to halt war, and noted that Indonesia extended cooperation to the United Nations by sending its troops to such conflict-torn areas as the Congo, the Sinai Peninsula, and Vietnam in the past.

Indonesia is not afraid of Japan's new SDF policy as Japan has said it will only respond to UN resolutions seeking such help, the sources added.

During the luncheon, Suharto and Watanabe both noted that Indonesia has long supplied oil and liquefied natural gas (LNG) to Japan and they confirmed that the continued export of energy resources, as well as Japan's investment, would be mutually beneficial, the sources said.

In connection with Tuesday's signing of an agreement on increased U.S. military access to Singapore by Lee Kuan Yew and U.S. Vice President Dan Quayle, the Indonesian sources would not divulge the content of a meeting between Suharto and Lee in Tokyo the same day, describing it as "just a general exchange of views between old friends."

But the sources said that Indonesia is basically opposed to the existence of any foreign military bases in the ASEAN region commenting on Tuesday's signing a pact on increased use of military facilities between Singapore and the United States.

Suharto also met with Quayle on the same day, but it was only a 15-minute courtesy call, the sources said. They added that he had also met with Brunei's Sultan Bolkiah and Jordanian Crown Prince Hasan Ibn-Talal.

Kanemaru Reiterates SDF Deployment Opposition

OW1611160690 Tokyo KYODO in English 1508 GMT 16 Nov 90

[Text] Naha, Nov. 16 KYODO—Former Deputy Prime Minister Shin Kanemaru on Friday reiterated his belief that Japan [words indistinct] send the country's Self-Defense Forces (SDF) personnel overseas as part of corps the government is attempting to establish as a contribution to the peaceful settlement of the Persian Gulf crisis.

Kanemaru, a veteran politician of the ruling Liberal Democratic Party (LDP) made the remarks in connection with an [words indistinct] two opposition parties on November 9 to set up a corps to assist (?UN) sponsored peacekeeping operations within the framework of Japan's peace constitution, and excluding the SDF.

The LDP and the centrist Komeito and Democratic Socialist Party reached the agreement after a government bill designed to allow the dispatch of noncombat SDF members abroad was scrapped in parliament.

Kanemaru, in Okinawa to stump for an LDP candidate in the prefecture's gubernatorial election, said, "we must not permit SDF personnel carrying pistols and machine guns to join a corps to be sent abroad."

He also stressed the need for Japan's humanitarian role in international peacekeeping operation to remain within the framework of the current constitution, saying that Japan has taken a strictly defensive national policy.

Touching upon the Japan Socialist Party (JSP), which refused to join the three-party agreement, [words indistinct] of breaching its pledge that if the LDP approved the abolition of the proposed bill, the JSP would sit at the negotiating table with the LDP.

Japan's largest opposition party refused to attend the meeting of the LDP and the two other opposition parties on the grounds that the new proposal does not clearly rule out the possibility of Japan becoming involved in military aspects of U.N. peacekeeping operations.

Meanwhile, JSP Secretary General Tsuruo Yamaguchi told his Komeito counterpart Yuichi Ichikawa by telephone Friday that his party will specify its policy on cooperation with U.N. peacekeeping activities by December 27, when Komeito will open its party convention, JSP officials said.

Kanemaru Meets PRC Vice Premier in Tokyo

OW1411080690 Tokyo KYODO in English 0659 GMT 14 Nov 90

[Text] Tokyo, Nov. 14 KYODO—Former Deputy Prime Minister Shin Kanemaru, meeting with Chinese Vice Premier Wu Xueqian on Wednesday, requested China's understanding for a statement he made earlier this fall regarding Japanese postwar compensation to North Korea, officials said.

During their one-hour meeting, Kanemaru explained to Wu a tripartite statement he signed in Pyongyang during a joint Liberal Democratic Party [LDP] and Japan Socialist Party [JSP] visit in September.

The statement, signed by the LDP and JSP along with the (North) Korean Workers' Party, called for intergovernmental negotiations to normalize relations between Japan and North Korea, and for Japan's payment of

compensation for Koreans' suffering during Japan's 1910-1945 colonial rule of the peninsula and the following 45 postwar years.

On Wednesday, Kanemaru explained "The problem of Japanese postwar compensation to North Korea has been criticized by neighboring nations, but it may be thought of as something like interest on the compensation money that Japan should have paid for the 36-year period (of Japanese colonial rule)."

Kanemaru asked Wu for China's understanding as it moves to resolve these problems through diplomatic negotiations.

Wu was quoted as saying he "understood well" the remnants of the suffering inflicted upon the Asian continent by the Japanese before the War. He added that "If Mr. Kanemaru had not visited North Korea, there would have been no opening for Japan-North Korean relations."

A two-day preliminary discussion held in Beijing between Tokyo and Pyongyang officials ended November 4 with no agreement between the two sides, but another meeting is scheduled for Saturday again in Beijing.

Tokyo has said it is prepared to compensate North Korea for the damage Japan inflicted on that half of the Korean peninsula during its colonial rule from 1910 to 1945.

Japan provided 500 million dollars in economic assistance as compensation to South Korea when Tokyo and Seoul established diplomatic relations in 1965.

Pyongyang has demanded compensation for the "adversary policy" Japan has allegedly followed against the communist state in the postwar period. Japan has rejected this as a basis for compensation.

Kaifu Meets With Dubcek, Discusses Relations

OW1311080590 Tokyo KYODO in English 0556 GMT 13 Nov 90

[Text] Tokyo, Nov. 13 KYODO—Czechoslovakia's parliamentary leader Alexander Dubcek told Japanese Prime Minister Toshiki Kaifu on Tuesday that his country attaches importance to Japan in developing bilateral political, economic, and other relations.

In a meeting with Kaifu at the Akasaka State Guesthouse, Dubcek, chairman of the Federal Assembly, said Czechoslovakia will make efforts to become a "reliable partner" for other countries, according to Foreign Ministry officials.

Dubcek, a leader of the 1968 Prague Spring reform movement, came to Japan to attend Monday's enthronement of Emperor Akihito. Dubcek told Kaifu he hopes to have talks with Japanese leaders when he returns next year.

The Diet has invited Dubcek to visit Japan next year, but the exact date has yet to be decided, according to the Foreign Ministry officials.

Touching on the 1968 Prague Spring, Kaifu praised Dubcek for his role in the movement, the officials said.

Dubcek, then first secretary of the Czechoslovakian Communist Party, attempted to reform the Stalinist-type socialism into "socialism with a human face" from early 1968, but the Soviet Union and other Warsaw Pact countries crushed the reform with a military invasion of Czechoslovakia in August of that year.

Soviet Official Proposes Treaty on Salmon Fishing

OW2011142990 Tokyo KYODO in English 1321 GMT 20 Nov 90

[Text] Tokyo, Nov. 20 KYODO—The Soviet Deputy Minister for Fisheries Vyacheslav Zilanov Tuesday proposed the conclusion of a new treaty to control salmon fishing in the North Pacific by such countries as Japan, the Soviet Union, the United States, and Canada.

Speaking to reporters at the Soviet Embassy in Tokyo, Zilanov said the numbers of salmon fishing boats operating in the Northern Pacific Ocean have increased and overcatching has become a serious problem in the area. A new treaty for the region should be set up by the countries fishing in the North Pacific, he said.

The Japanese Government is cautious about joining a new treaty, saying that it could further strengthen the voice of the Soviet Union and the United States against Japanese salmon fishing in international waters.

Touching on Japan-Soviet cooperation in fishing, Zilanov said that his country is facing a transition to a market-oriented economy with a transfer of power from the central government to individual republics, and is hoping to strengthen ties with Japan in various fields.

Okinawa Governor-Elect Outlines Policies

OW2011133890 Naha RYUKYU SHIMPO in Japanese 19 Nov 90 Morning Edition p 2

[Interview with Okinawa Governor-Elect Masahide Ota by unidentified RYUKYU SHIMPO reporter; time and place of interview not given]

[Text] [RYUKYU SHIMPO] What will be your basic stance for operation of the prefectural government?

Mr. Ota: The key will be faithfully to carry out election platforms which have been adopted in consultation with the Reformist Joint Struggle Conference. The most important goal is the creation of a peaceful community. The second important goal is to make the prefectural government a government for the people of the prefecture. Scandals are alleged over such projects as the construction of a new airport in Ishigaki. I will seek to put into place an administration which is open to, and can be seen as though through a clear pane of glass, by

the people of the prefecture. As promised in the platforms, an ombudsman system to watch the administration will be introduced as soon as possible.

[RYUKYU SHIMPO] How do you plan to proceed in creating a peaceful community, which is one of your election pledges?

Mr. Ota: I want it to be a peaceful community with respect to education, welfare, and culture. To achieve that, it is important that we tackle the task of removing the U.S. military bases, which are occupying a large area of Okinawa. Governor Nishime visited the United States to make personal appeals on that question. I also would like to visit the United States at an early date, and request the removal of the bases. I would like to meet with people in charge and seek their understanding on the need for removing the bases, by discussing with them the situation of the bases in Okinawa.

Mr. Nishime did his negotiations with an emphasis given to the U.S. Defense Department. However, I would like to pursue the military base issue from a different approach: by emphasizing negotiations with the U.S. State Department and Congressional sources.

[RYUKYU SHIMPO] How do you plan to deal with the Third Promotion and Development Plan?

Mr. Ota: Three points will be taken into account. During the latter half period of the Second Promotion and Development Plan, high-rate [koritsu] subsidies were reduced. First of all, I would like to call on the government to restore the high-rate subsidies to the plan. Second, in giving out orders for public works projects, priority will be given to local enterprises. Third, I will place the U.S. military base question squarely before the Third Promotion and Development Plan, thus pushing for a solution to the issue of utilizing the base sites.

[RYUKYU SHIMPO] How do you plan to utilize the sites of the returned bases?

Mr. Ota: We will draw up a plan for utilizing the sites of the returned bases. We will also request that the [national] government legislate a special law so that landowners may not suffer losses. In addition, we will need to take measures so that the employees released from the bases will be given priority in getting employed elsewhere.

[RYUKYU SHIMPO] What do you intend to do with the plan to construct a new airport in Ishigaki?

Mr. Ota: I would like to hear the views of the people of Yaeyama County and to have a consensus formed if possible. This is a project that needs to be implemented soon.

[RYUKYU SHIMPO] How do you intend to have a consensus reached in that regard?

Mr. Ota: According to opinion surveys conducted by newspapers recently, not all people agree to the use of the

presently planned site on Karadake. I will give a careful review as to whether it is desirable to move the site to another location.

[RYUKYU SHIMPO] Are you saying that you will reconsider the choice of a site?

Mr. Ota: If there is little chance that the site on Karadake can be accepted, we will have to review the question, while listening to the views of the county people. Recently, a court suit has been filed over ownership on some pieces of land on the planned site. It is possible that the construction plan will be delayed further because of this. I will talk to the people concerned, and carefully study the matter.

[RYUKYU SHIMPO] Have you drawn up a plan for a personnel reshuffle including the three top posts of the prefectural government?

Mr. Ota: As for personnel matters, nothing has been set. What is important now is to talk to the people of the Reformist Joint Struggle Conference, democratic groups, and women's representatives. If there are people recommended by many and considered fit for the positions, I will consider them favorably. There is also the possibility of picking some women. However, right now there is nothing fixed.

[RYUKYU SHIMPO] I think the ability to deal with the Assembly is crucial in carrying out functions of the prefectural government.

Mr. Ota: I myself foresee that as a tough problem. I will do my very best in dealing with the Assembly. I would like to think that all of us have in common the fact that we care for Okinawa. I would like to have the cooperation of the Assembly.

[RYUKYU SHIMPO] There are some who say that, Mr. Ota, you have no link with the central government and that will work as an impediment.

Mr. Ota: I anticipate some tough times for myself. However, the nation is run by people's taxes. I do not think the fact that one is either a conservative or a reformist can be a cause for discrimination. Kanagawa Prefecture, Fukuoka Prefecture, and Hokkaido Prefecture have governors from reformist groups, but they are doing fine. Neither is it true that just because one has a thick link with the national government, that he can get a bigger budget from the government. Mr. Yara and Mr. Taira of the reformist-led prefectural governments of the past did a good job. However, I do anticipate some tough times. I will have to explain Okinawa's true situation. I will draw up the necessary plans and make maximum efforts to carry them out.

[RYUKYU SHIMPO] This prefecture is now in a resort development rush. Will you tell me your plan on the development of Okinawa—and also on nature protection?

Mr. Ota: The resort development is a grave question. It must not result in financial burdens for local governments. Considerations need to be given to the problems of the water supply and trash disposal, and to the contribution to the employment of local manpower. The resort development should be one that contributes to enriching the local economy. However, if all of Okinawa is to become a resort area, that will also be a problem. By all means, the fundamentals of the development are that it must be in harmony with nature.

Editorial Views Election

OW2111115790 Naha OKINAWA TIMES in English
19 Nov 90 Morning Edition p 5

[Editorial: "Mr Ota, Reformist, Elected as Prefectural Governor"]

[Text] The official announcement on 29 October of the gubernatorial election for Okinawa Prefecture was followed by fierce election campaigns. Finally, votes were cast and counted on 18 November, and Mr. Hidemasa Ota, who is a reformist and a newcomer to politics, was elected, beating Mr. Junji Nishime, the incumbent.

The weather on voting day was good, and the voters' turnout was also good. Out of a total of 828,000 eligible voters, 76.78 percent cast their ballots, bettering by 2.67 percent the voting of 74.2 percent for the preceding election in 1986.

The fact that the voting rate was higher than in the last election is proof of the voters' high degree of concern over the gubernatorial election this time. In fact, this had been noted in opinion surveys conducted before the election.

Every past gubernatorial election in Okinawa has been a straight duel between conservatives and reformists. If the election for prefectural chief executive in 1968 [before the reversion of Okinawa to Japan] is counted, the duels so far have been even with both sides winning three times each.

Mr. Nishime was elected three times consecutively since 1978. Mr. Ota's victory this time means the return of the reformists to government for the first time in 12 years.

In the recent gubernatorial election, Mr. Ota put forward the slogan of creating a "Peaceful Okinawa," calling the military base issue the prefector's most important task, while Mr. Nishime's slogan was to turn Okinawa into "Japan's No. 1 Prefecture", insisting that Okinawa economically must catch up with and overtake the main island.

This situation of confrontation between reformists and conservatives is similar to that of past election campaigns. This time, however, the issue of the UN Peace Cooperation Bill involving the issue of dispatching Self-Defense Forces overseas sprang up suddenly in the midst of the election campaign. This brought out the views between the two groups fairly clearly.

For the people of Okinawa, who experienced the cruel battle of Okinawa, the desire for peace is particularly strong. Apparently, the people made this desire clear to Mr. Ota by voting for him.

The results of this gubernatorial election not only will set the prefectural government's direction for the latter half of the 1990s, but also will mean making a new choice in drawing up the Third Development Plan, the final step in the overall Okinawa development program, now that the 20th anniversary of Japanese reversion is not far away.

Mr. Ota and the Reformist Joint Struggle Conference, which is his main support group, issued election platforms during their campaign, making pledges on such issues as Okinawan development, military bases, medical care and welfare, isolated islands or sparsely populated areas, the agriculture and fisheries industries, education, and international exchanges.

On the final day of his election campaign, Mr. Ota made his appeals, saying: "The greatest welfare is to have peace. No progress in welfare, education, and culture can be achieved in a world without peace." He added: "I will do my very best for the development of Okinawa."

The results of the voting (the final count by the Prefectural Election Management Committee) showed Mr. Ota won 330,982 votes and Mr. Nishime 300,917 votes. The margin was more than 30,000.

We hope Mr. Ota will appreciate the popular will represented in the 330,000 votes, and will make maximum efforts to answer the expectations of the people by faithfully carrying out his promised policies.

The people of the prefecture passed judgment on changing the prefectural government and entrusting it to Mr. Ota. There are so many tough issues to be resolved in Okinawa. We hope Mr. Ota will tackle the mountain load of tasks, while keeping an eye on his health.

Mr. Nishime lost, but we take this opportunity to thank him for what he has done while in government for the past 12 years.

'Radical Group' Suspected in Destruction of Shrine

OW2111033590 Tokyo KYODO in English 0304 GMT
21 Nov 90

[Text] Sendai, Nov. 21 KYODO—A shrine was totally destroyed before dawn Wednesday in what police suspect was arson linked to a radical group opposed to Emperor Akihito's upcoming Daijosai thanksgiving rites.

No casualties were reported.

The fire started at the main sanctuary of Takekoma Shrine in Iwanuma, about 17 kilometers south of here, around 5:00 a.m. It totally destroyed the main facility and three other sections of the shrine, police said.

A shrine official found smoke billowing from the main sanctuary after a fire alarm sounded, and a neighbor reported hearing a blast and seeing flames leaping from the shrine, police said.

Radical groups oppose the holding of the Daijosai on Thursday through Friday. During the ceremony, the emperor will offer new crops to gods of agriculture and deities associated with the imperial family.

Takekoma Shrine, said to be built in the ninth century, is one of three major shrines in Japan dedicated to gods of harvest. It attracts about two million visitors from across the country every year.

Emperor To Complete Enthronement Ceremony 22 Nov
OW2111050790 Tokyo KYODO in English 0445 GMT
21 Nov 90

[Text] Tokyo, Nov. 21 KYODO—Emperor Akihito completes his enthronement Thursday night at the Imperial Palace with the Daijosai, a Shinto thanksgiving rite. The ceremony is at the center of a controversy over whether it breaches the separation between state and religion stipulated in the Constitution.

The state-financed court ceremony, in which the newly enthroned emperor makes food offerings to his ancestral deities and the Shinto gods, begins Thursday evening in the east gardens of Imperial Palace and ends before dawn Friday. Attending the mystery-shrouded rituals will be Empress Michiko and other members of the imperial family, as well as about 900 senior government officials and other dignitaries headed by Prime Minister Toshiki Kaifu. Unlike the gala enthronement ceremony held Monday last week, however, which was attended by representatives from nearly 160 countries, no foreign dignitaries are invited to Thursday's overnight rituals.

The six hours of ceremonies, held in the privacy of the palace, take place in two thatched, wooden buildings of ancient design called the Yukiden and the Sukiden. These are the principal structures of the Daijokyu Shrine, which was specially built for the rituals at a cost of 1.45 billion yen in the palace's eastern gardens.

The Daijosai, or grand thanksgiving rite, is said to be patterned after ancient rites, and illumination is provided by torches and bonfires. No artificial lighting is used.

The ceremony gets under way at 6:30 p.m. at Kairyuden, the antechamber at the entrance of the Daijokyu compound where the emperor performs ceremonial purification and changes into robes of pure white silk in his capacity as the high priest of Shinto. From the Kairyuden, the emperor proceeds to the inner chamber of the Yukiden in a fashion designed to symbolize that he has been purified. A rush mat is unrolled in front of him and rolled up behind him as he passes the Daijokyu hallways. Over his head is held a great umbrella carried on a pole of white wood, on the upper part of which is a carving of a phoenix with outspread wings.

Once inside the inner chamber of the Yukiden, the emperor offers newly harvested rice grown in two specially selected districts as well as delicacies selected from each of the nation's 47 prefectures to the sun goddess Amaterasu and other Shinto deities, and then partakes of the food himself as a symbol of communion with the gods. Symbolizing this communion is a rectangular matted bed placed at the center of the inner chamber which according to court legends is a resting place for the imperial deities.

With the rituals completed at the Yukiden, the emperor repeats the same rite at the Sukiden after a three-hour break. The identical food offering services are set to end at 3:10 A.M.

The proceedings take place in private, witnessed only by the two court maids who assist the emperor with the food offering. Ancient songs and the light of torches provide the sound-and-light backdrop.

Empress Michiko is seated outside the Yukiden and Sukiden halls while Emperor Akihito conducts the rituals in the privacy of the two inner chambers. Other dignitaries are assembled in two pavilions which are separated from the shrine by waist-high marsh-reed screens.

Outside the palace, police are beefing up security from the originally planned 26,000 police officers to 29,700 in bid to cope with any attempt by radicals to carry out their threats to disrupt the ceremonies.

The government, responding to critics of state involvement in the Shinto rituals, defends the rituals as "a very important ceremony ... Held in observance of a long tradition of the imperial house." The government denies that the rituals, which are held only once during an emperor's reign, will enable Emperor Akihito to attain the status of a "living god" ascribed to his ancestors.

The principal purpose of the Daijosai, the imperial household agency said, is for the emperor "to express gratitude to the imperial ancestor and the deities of heaven and earth for peace and abundant harvests." The ceremony is estimated to cost taxpayers 2.5 billion yen.

Emperor Akihito, who succeeded to the throne on the death of his father, Emperor Hirohito, posthumously called Emperor Showa, on January 7 last year, is the first monarch enthroned under postwar Constitution, which stipulates that the emperor is a symbol of the state and of the unity of the people. The late emperor was regarded as a living god in prewar Japan, but renounced his divinity after the end of World War II.

Religious Groups Respond

OW1711083690 Tokyo KYODO in English 0721 GMT
17 Nov 90

[By Masayuki Kitamura]

[Text] Tokyo, Nov 17 (KYODO)—With the controversial Daijosai less than a week away, Japan's largest Christian group is stepping up its protest against what it fears is a deliberate government attempt to blur constitutional separation of state and religion.

On Monday, the National Christian Council of Japan (NCC), the umbrella group of mainstream Protestants in Japan, plans to submit some 126,000 signatures to Prime Minister Toshiki Kaifu in protest against government funding of the two-day Shinto event at the Imperial Palace.

On the day of the Daijosai itself, the council will launch a 48-hour hunger strike which the group expects will draw 1,000 participants from various Christian groups in Japan.

These two NCC moves again highlight the division among religious groups in Japan on the mystic Shinto ceremony which has already drawn a number of terrorist attacks from the nation's far left and opposition from political groups, scholars and civic leaders.

The government is paying 2.5 billion yen out of public money to finance the event, and insists that the Daijosai, or Grand Thanksgiving rite, is a centuries-old court ceremony and an integral part of imperial succession.

The ceremony, which takes place at an austere sanctuary inside the Imperial Palace on the night of November 22-23, involves the offering of newly harvested rice and other food by the newly enthroned Emperor Akihito to Sun Goddess Amaterasu and other deities, and the partaking of the rice himself.

Critics contend that such religious rites, held in the presence of the prime minister and the heads of legislative and judiciary branches of the government, violate the constitutional separation which bars the government from taking part in religious activities.

Based on the objection to state involvement in the Daijosai, the NCC launched a nationwide campaign a year ago hoping to collect 500,000 anti-Daijosai signatures from the nation's Christian community.

In the end, less than a tenth of the one million or so Christians in Japan, about 600,000 Protestants and 420,000 Catholics, have signed up.

"There are pros and cons over the Daijosai even among churches," a spokesman for the NCC points out.

Despite the apparent futility of the petition, the NCC says it is presenting the anti-Daijosai signatures to the prime minister three days before the Daijosai as a demonstration of "the responsibility of Japanese Christians" to history.

Other Christian groups in Japan, especially Catholics, seem to take a more conciliatory or lukewarm stand on the Daijosai.

The Japanese Catholic Bishops Conference wrote a letter to Kaifu a year ago, requesting that the government observe the constitutional provision of the separation of state and religion with respect to Emperor Akihito's enthronement ceremonies. The Japanese bishops have not made any further move regarding the Daijosai.

Only recently did a small Catholic social action group, the Catholic Peace and Justice Committee in Tokyo, issue a statement against state funding of the Daijosai.

Prominent Protestant and Catholic laymen also hold contrasting positions on the Daijosai.

In April, presidents of four Protestant-run universities issued a joint statement against the enthronement ceremonies and the Daijosai, charging that the government was paving the way to revive the "divine status" of the emperor. Their protest immediately drew threats of death from the nation's rightists.

In contrast, popular Catholic author Ayako Sono has called for an attitude of generosity, understanding and respect for the Shintoist Daijosai even though the state may be involved in the ceremony.

Sono and other prominent Catholic scholars like Sophia University Prof. Shoichi Watanabe argue that a strong objection to the Daijosai would only boost anti-Christian sentiment in the society, as many Japanese regard Christianity as a foreign religion.

They say non-Christians in Japan, 99 percent of the population, may believe that a strong stand against the Daijosai is a sign that Christians do not want to accept Japanese culture.

The division in the reaction to the Daijosai among Christian groups reflects a general ambivalence among Japanese toward religion, analysts say.

To many Japanese, religions blend. In their daily life, most Japanese mix Shintoism with Buddhism, and pray at both Buddhist temples and Shinto shrines. As has been widely observed, the Japanese may celebrate their marriage at a Shinto shrine or a Christian church but they may have their funeral at a Buddhist temple.

Religious amalgamation even occurs within the imperial house itself.

Throughout the history of Japan, the emperor has served not only as the high priest of Shintoism but also as the protector of Buddhism.

Two of Japan's oldest Buddhist sects, the Tendai Sect and the Shingon Sect, have served as guardians of the nation since they were founded more than 1,200 years ago, and have received protection from the imperial house throughout the ages.

But there are exceptions. When Japan was under the sway of state Shintoism before and throughout World War II, Soka Gakkai, the 17 million-strong lay Buddhist

organization, was severely persecuted by authorities because Soka Gakkai followers placed their belief above the emperor.

Such historical background, religious analysts believe, is behind the decision by Komeito, the centrist opposition party backed by Soka Gakkai, to boycott the Daijosai rites.

The attitude of Christian groups toward the war and their relations with the state in the wartime year, apparently also plays a part in the divergence of their views on the Daijosai.

During the war, both Protestant and Catholic churches in Japan were forced to collaborate with the government in Japan's military invasions of Asia.

In 1967, the United Church of Christ in Japan, or Kyodan, the biggest and most influential Protestant denomination in Japan, issued a "historic" confession of its responsibility for the Pacific war, asking the Japanese and Asian people for forgiveness for its wartime behavior.

In contrast, the Catholic Church in Japan has not yet issued any formal statement with respect to its forced wartime collaboration with the government.

And the Rev. Takeo Okada, director of the Japan Catholic Research Institute for Evangelization, says the Catholic Church in Japan has not conducted a thorough review of its relations with the emperor system.

Okada says Japan's religious leaders tend to view the Daijosai in the light of each sect's historical relations with the emperor system.

Police Survey Reveals Extensive Extortion

OW1911233590 Tokyo KYODO in English 2302 GMT 19 Nov 90

[Text] Tokyo, Nov. 20 KYODO—Nearly one third of Japanese companies have bowed to extortion group pressure to either subscribe to sometimes nonexistent publications or pay cash, according to a police survey.

The National Police Agency released Monday a survey of 3,000 companies in Japan concerning demands made by extortion groups in September and October. The survey included 1,900 publicly listed companies and three firms which replied that they were asked to pay more than 100 million yen.

In this first survey of its kind by police, 41.2 percent of the 2,106 firms which responded said they have been contacted by the extortion groups. The demands received vary from subscriptions to high-priced and sometimes nonexistent publications to donations and purchases of goods.

About 70 percent in the securities, insurance, and service industries have experienced cash requests, as have those in the construction, banking, and real estate industries.

One in six of these companies, or 336, identified the organizations which contacted them as mobsters.

Others were listed as Sokaiya and shady organizations operating under the guise of social action groups. Sokaiya are nominal stockholders who specialize in extorting money from company management, many times disrupting annual stockholders meetings if they are not paid.

These extortion groups demanded cash mostly from firms with more than 1 trillion yen in annual sales, or 68.9 percent of those surveyed, and from 58.5 percent of companies with annual turnovers between 100 billion yen and 1 trillion yen.

The sum demanded in nearly half the cases was less than 100,000 yen, with another 29 percent involving demands between 100,000 and 1 million yen, and 10 percent between 1 million yen and 10 million yen. Three companies surveyed said they were asked to pay over 100 million yen.

About 32 percent of the companies approached by these organizations said they conceded to their demands, mostly to avoid trouble. About 16 percent said they complied because it was "business practice."

Over 60 percent of the companies said they identified the organizations by their name cards or from their introductions. The extortionists demanded that the companies show them "sincerity."

The majority of companies surveyed—65.3 percent—said new legislation was necessary to control the organizations, though 5.9 percent said such measures were unnecessary.

Police said civil cases involving trouble with crime organizations reached 20,806 last year, more than double the number in 1980, when police began counting the incidents.

The number of cases uncovered by police also surged, exceeding 3,000 cases annually for the past two years, police said.

U.S. Senator Warns of Trade Retaliation

OW2111092590 Tokyo KYODO in English 0840 GMT 21 Nov 90

[Text] Tokyo, Nov 21 (KYODO)—A visiting U.S. senator in charge of trade affairs with Asia warned Wednesday that Washington might take retaliatory action against Japan if a new bilateral construction row remains at an impasse.

"The U.S. Government, I think, (is) prepared to go to the brink," Senator Frank Murkowski told a press conference, and referred to the Super 301 Clause of a U.S. trade act which enables Washington to retaliate against countries it regards as unfair traders. "I would hope that the Japanese recognize we mean business," he said. He was

commenting on another bilateral trade dispute involving the 1 trillion yen Kansai International Airport project, which has developed from a U.S. company's failure to win a contract for a people-mover system for the airport.

Since it lost the bid in July, AEG Westinghouse Transportation Systems Inc. has been urging the U.S. Congress to retaliate against Japan, charging that there are some "irregularities" in the procurement process for the system.

Murkowski, in Tokyo to discuss the dispute accompanied by John Tucker, president of the Pittsburgh-based Westinghouse, expressed dissatisfaction with Japan's failure to adequately follow through its agreement with the U.S. on the construction market. "I think we have made progress... but clearly, it's not adequate in the sense of looking at the 14 major contract project agreements," he said.

Giving in to U.S. pressure to improve access to its construction market, Japan agreed in 1988 on evaluation and selection procedures to allow American companies to bid on major construction projects in Japan, including the Kansai Airport. Tucker, who also attended the conference, said the Kansai Airport project is viewed by U.S. businesses as "the first litmus test" of Japan's commitment to open up its construction market to foreign competitors. "And in the absolute first test, the true litmus test, we were unsuccessful," he said. He also said his protest at what he called "irregularities" in the bid for the people-mover system is intended not only for his company but also for his American colleagues. "Why should U.S. businessmen waste their human resources and capital resources to come to Japan in the hope of open opportunities," when in reality the Japanese market is not open enough, he said.

U.S. Expects 'Constructive' Trade Proposal

*OW2111015690 Tokyo KYODO in English 2351 GMT
20 Nov 90*

[By Shiro Yoneyama]

[Text] Washington, Nov. 20 KYODO—The United States expects Japan to table a "constructive" proposal for the successful conclusion of the Uruguay Round of global trade talks, President George Bush's top trade advisers told Japanese Ambassador Ryohei Murata on Tuesday.

Agriculture Secretary Clayton Yeutter, Trade Representative Carla Hills, and Commerce Secretary Robert Mosbacher made the request in separate meetings with Murata, a senior Japanese diplomat said.

The top Bush advisers on trade and economic affairs urged Japan "to come to the negotiating table with a constructive proposal, particularly in the areas of agriculture and market access." But they did not refer to earlier calls for Japan to lift its near-total ban on rice imports, the diplomat said.

Murata called on the three to review Japan-U.S. economic relations with respect to the Uruguay Round, on which agreement is due in December after four years of talks. Murata found both Yeutter and Hills to be "neither pessimistic nor optimistic" about the outcome of the upcoming ministerial meeting on the trade round in Brussels in early December, according to the Japanese diplomat, who spoke on condition of anonymity.

Murata's meetings with the three U.S. cabinet members followed Bush's latest letter to Prime Minister Toshiki Kaifu seeking Japanese cooperation in successfully concluding the trade round, being conducted under the auspices of the General Agreement on Tariffs and Trade (GATT). The diplomat said Yeutter and Hills described as "totally insufficient" a recent European Community (EC) proposal for a 30 percent reduction in farm support between 1986 and 1996.

In addition to agriculture and market access issues such as reduction of tariff and nontariff barriers, Hills in her talks with Murata sought progress in GATT talks on dumping, intellectual property protection, services, and other key areas. The diplomat said, "Ambassador Murata will explain to the Japanese leadership the importance the U.S. attaches to the Uruguay Round."

The two countries are expected to hold talks on construction services in mid-December and a follow-up meeting on the Structural Impediments Initiative (SII) in late January or early February, both in Tokyo, a Japanese trade official said. He predicted that Japan's trade merchandise trade surplus with the U.S. will drop to the 30 billion dollar level this year.

Murata will leave Washington on Friday for Tokyo to meet with Kaifu, Foreign Minister Taro Nakayama, and other government leaders, and attend a meeting of Japanese ambassadors posted in Asian and Pacific nations from November 28 to 30. His talks in Tokyo will also deal with the Persian Gulf crisis and Japan-U.S. economic and political relations as well as the Uruguay Round.

Source: U.S. Trade Data Not To Affect Policy

*OW1611160890 Tokyo KYODO in English 1504 GMT
16 Nov 90*

[Text] Tokyo, Nov. 16 KYODO—A Bank of Japan source said late Friday the latest U.S. trade and inflation data will not affect Japan's monetary policy at all, noting that they fell within the expected ranges. "They were in line with expectations and there will be little impact on foreign exchange markets," said the source, who spoke to reporters on condition of anonymity.

The comment came in response to a U.S. Commerce Department announcement of a 3.3 percent contraction in the U.S. trade deficit for September and a Labor Department report of a seasonally adjusted 0.6 percent rise in U.S. consumer prices for October.

Asked about the possibility of a credit relaxation by the U.S. Federal Reserve, the source noted that such a possibility exists because the rise in consumer prices was relatively small, but added that such a credit easing has already been discounted in the currency markets. The source did not elaborate, however.

Currency dealers, meanwhile, reacted to the U.S. economic data calmly, terming them within the range of expectations. "Figures other than the revised August deficit fell within expectations, and will not have much impact on the market," said a dealer at the Industrial Bank of Japan.

As for U.S. monetary policy, the dealer said he expects the Fed [Federal Reserve] to nudge the federal funds rate, a key U.S. short-term rate, down by a quarter percentage point as early as next week to prop up a sagging economy. There has been widespread speculation among currency dealers and economists that the U.S. central bank will ease its grip on credit in response to growing signs of a weakening economy.

A senior Finance Ministry official, meanwhile, said the September U.S. trade balance confirmed a narrowing trend in America's deficit with Japan. The U.S. trade deficit with Japan narrowed to 3.05 billion dollars in September from 3.78 billion dollars the previous month. "The portion of the deficit with Japan in the overall deficit fell to 31.5 percent in September. It's clear evidence of a narrowing trend," said the official, who requested anonymity. But the official said the overall U.S. deficit might grow again in October in light of higher oil prices that month.

U.S. Firm Claims Airport Plan 'Irregularities'

*OW2111043190 Tokyo KYODO in English 0253 GMT
21 Nov 90*

[By Waka Hamada]

[Text] Tokyo, Nov. 21 KYODO—The head of a U.S. company which unsuccessfully bid for work on a multi-billion-dollar Japanese airport project says Japan's failure to properly deal with a new bilateral construction dispute might lead to U.S. retaliation.

"It's very possible that a 301 situation could happen," says John Tucker, president of AEG Westinghouse Transportation Systems Inc., referring to Section 301 of a U.S. trade law which provides for retaliatory action against nations seen to have unfair trade practices. He made the remarks in an interview with KYODO NEWS SERVICE Tuesday.

The 1 trillion yen Kansai International Airport project has emerged as the heart of the new construction dispute between Japan and the United States, after Westinghouse lost a bid in July for a people-mover system for the airport, being built on reclaimed land off Osaka, western Japan.

The Pittsburgh-based company has charged that there were "irregularities" in the procurement process of the contract. "And if a 301 situation happens, then the possibility of the Brooks-Murkowski legislation preventing Japanese companies from participating in public works projects in the United States could be a reality," Tucker said, referring to legislation sponsored by U.S. Senator Frank Murkowski.

Tucker arrived in Tokyo with Murkowski on Monday to discuss the airport issue with Japanese Government officials. He said there is a very strong political feeling in the U.S. that the case demonstrates that Japan has not followed through on its construction agreement with Washington.

Bowing to U.S. pressure to improve access to its construction market, Japan agreed in 1988 on evaluation and selection procedures to allow American companies to bid on construction projects in Japan, including the Kansai airport. "I really hope that they (Japanese officials) understand it is a big political issue back in the United States," he said.

Tucker renewed his earlier complaints that there were irregularities in the procedure to give the people-mover system contract to Japanese bidders. He said the successful bidders, Niigata Engineering Co. and Sumitomo Corp., are not meeting the requirements of the project's specification technologically, especially in reliability, operation, and maintenance. "We found in those areas Niigata and AEG Westinghouse were valued almost equal (in the bidding) ... It is not so logical to me, that how do you compare something which has run so well for such a long time with a new type of vehicle which has never been built before," he said. "It's like comparing apples and pears."

Westinghouse, a joint venture between Westinghouse Electric Corp. and Daimler-Benz AG of West Germany, has a dominant edge in the automated guideway transport system market, having installed 14 out of the 18 such systems in operation around the world. Though believed to be experienced in city transportation systems, Niigata has no experience in the type of system to be used at the airport. "The system to be provided should be one that is not on a test track, but something that has experience," he said. He also indicated that he regarded Niigata's bidding price as unfairly low, valued at 5 billion yen against Westinghouse's 8 billion yen. "I cannot tell why Niigata's price is so low. But maybe I have some ideas," he said.

Tucker also voiced dissatisfaction with his meeting earlier in the day with Transport Minister Akira Ono. "We've been told today by the minister of transport that they feel Kansai has done a good job and evaluating. That I don't agree with," he said.

Talks on Opening of Construction Market Planned

OW2111115990 Tokyo KYODO in English 1006 GMT
21 Nov 90

[Text] Tokyo, Nov. 21 KYODO—Japan and the United States agreed Wednesday to resume negotiations in Tokyo next month to review the opening of the Japanese construction market to foreign firms.

The agreement was reached at a 40-minute meeting on Wednesday between Construction Minister Tamisuke Watanuki and visiting U.S. Senator Frank Murkowski.

Murkowski said he appreciated Japan's efforts to open its construction market to foreign contractors but said there is still room for Japan to open the market wider.

American construction companies were displeased with the defeat of a major U.S. contractor by a Japanese firm in its bid to participate in the 1 trillion yen Kansai International Airport project near Osaka.

The forthcoming meeting, to be held in the middle of December, is aimed at reviewing progress in Japan's efforts to give foreign firms greater access to 17 major public works projects in which the Japanese Government pledged to facilitate foreign participation under a U.S.-Japanese agreement reached in May 1988. The United States had refused to resume negotiations with Japan, expressing displeasure over the lack of Japanese efforts.

Washington was especially displeased with the failure of AEG Westinghouse Transportation System Inc. to win a contract in bidding for automatic passenger transport systems for the airport project. The United States rejected Japan's argument that the bidding was held in a fair manner.

Prior to his meeting with Watanuki, Murkowski told a press conference at the Foreign Correspondents' Club that it may be time for the United States to invoke the Super 301 clause of the U.S. Trade Act, allowing the Bush administration to take retaliatory action against nations with unfair trade practices. "It is simply a matter of the U.S. Government being prepared to go to the brink," he said, adding "I hope that Japan will recognize that we mean business."

Major Trading Houses Report Declining Profits

OW1611113690 Tokyo KYODO in English 1113 GMT
16 Nov 90

[Text] Tokyo, Nov. 16 KYODO—Five of Japan's nine biggest trading houses reported declines Friday in unconsolidated pretax profits for the fiscal first half ended September 30, pushing combined profits of the big nine down for the first time in four years.

Officials at the five companies cited a greater financial burden due to higher interest rates at home and crumbling stock prices on the Tokyo Stock Exchange.

Boosted by strong domestic demand, sales at all nine companies grew in the six-month period despite a change in accounting rules that excluded revenues from gold savings account transactions.

The old accounting rules had been criticized for overstating sales at trading houses. Trading houses trade gold on behalf of brokerage houses which offer gold savings accounts, a savings-type financial product.

In terms of sales, C. Itoh and Co. ranked first with 10.4 trillion yen, up 24.2 percent from a year earlier, followed by Sumitomo Corp. with 9.4 trillion yen, up 18.4 percent, and Mitsui and Co. with 8.9 trillion yen, up 15.4 percent.

Measured by gross operating profits, or sales minus material and personnel costs, however, Mitsubishi Corp. captured the top slot with 145.5 billion yen, followed by Mitsui, C. Itoh, and Sumitomo.

Gross operating profits are viewed as a measure of overall performance at trading houses.

Following are company-by-company results for the first half of fiscal 1990 in billions of yen with year-to-year percentage comparisons in parentheses:

	sales	pretax profit	net income
C. Itoh	10,420.6("24.2)	23.7 (-12.4)	9.4("2.3)
Sumitomo	9,389.3("18.4)	33.0("1.7)	18.5("14.2)
Marubeni Corp.	9,047.5("17.5)	24.1("3.9)	10.5("20.2)
Mitsui	8,955.3("15.4)	28.4 (-11.5)	14.9("12.5)
Mitsubishi	8,709.8("12.6)	46.6("14.9)	26.6("38.9)
Nissho Iwai Corp.	6,572.7("15.2)	10.8 (-3.6)	5.5("12.4)
Tomen Corp.	3,321.2("16.7)	7.4 (-10.6)	3.5("25.4)
Nichimen Corp.	2,915.5("13.7)	5.7 (-29.2)	2.6("11.6)
Kanematsu Corp.	2,832.9("33.3)	6.1("2.3)	1.5("66.7)

Central Bank Governor Confident in Economy

OW1411091190 Tokyo KYODO in English 0738 GMT
14 Nov 90

[Text] Tokyo, Nov. 14 KYODO—Bank of Japan Governor Yasushi Mieno said Wednesday he is confident the nation's economic growth will continue at least within the current fiscal year despite an increase in bankruptcies in October.

"The fundamentals of the Japanese economy are strong, so I don't believe economic conditions are deteriorating," Mieno told a regular press conference.

Mieno was referring to a private report released Wednesday showing that Japan's corporate failures

increased in October for the first time in 70 months, rising 9.7 percent from a year earlier to 645 cases.

The central bank governor said, however, that corporate investment and personal spending must be watched carefully, pointing to uncertainties about possible effects of the Gulf crisis on these growth factors.

Boosted by robust domestic demand, Japan's economy has been expanding for 47 months in a row, five months longer than the second-longest period of sustained postwar growth.

Turning to policy coordination among the so-called Group of Seven [G-7] industrial nations, Mieno said the G-7 nations share a view that they must join forces in heading off inflationary pressures arising from the surge in crude oil prices since Iraq's invasion of Kuwait.

Mieno acknowledged that each G-7 nation is taking a different anti-inflation approach, but noted that each is based on different conditions facing the G-7 nations.

The remarks came against the backdrop of differences in interest rate controls between the United States and Germany, with the U.S. now faced with a slowing economy, but Germany more worried about inflation.

The U.S. Federal Reserve, for instance, has recently allowed the Federal Funds Rate, a key U.S. short-term rate, to go down slightly, while the Bundesbank, the German central bank, guided the key Lombard Rate upward last week.

As for the shrinking interest rate differential between Japan and the United States, Mieno said he does not see the trend causing problems with the flow of capital between the two countries.

"The contraction in interest rate spreads alone will not halt a flow of money (from Japan to the United States) and will not bring about major friction," he said.

On banking issues, Mieno expressed confidence that Japanese commercial banks will be able to comply with capital adequacy standards set by the Bank for International Settlements (BIS) in lieu of the plunge in stock prices this year.

The BIS rules require internationally operated banks to have capital equivalent to 8 percent of risk-weighted assets by March 1993, but the stock market setback has forced many banks to go below the capital-to-assets ratio as a result of the slashed value of their stock holdings.

"It's not difficult for Japanese banks to achieve the 8 percent target because they have much time before March 1993," he said.

On other topics, Mieno welcomed the merger of Kyowa Bank and Saitama Bank and noted that he expects it to contribute to the Japanese economy.

Kyowa and Saitama, the nation's 10th and 11th largest banks in terms of deposits, announced Tuesday that they

will merge on a fifty-fifty basis on April 1 next year, making them the eighth largest bank.

Finance Ministry Forbids Subordinated Loans

*OW1511122890 Tokyo KYODO in English 1108 GMT
15 Nov 90*

[Text] Tokyo, Nov. 15 KYODO—The Finance Ministry has ordered banks and other financial institutions to suspend their plans to borrow subordinated loans in order to prevent the rapidly growing demand for them from causing confusion in Japan's financial markets, ministry sources said Thursday.

Since the ministry lifted its ban on the issuance of subordinated loans in June, Japanese institutions have introduced in droves the new type of borrowing, creating concern that the brisk demand for such loans will deprive the market of funds and put pressure on the stock and bond markets.

Behind the booming demand for subordinated loans are the flagging Tokyo stock and bond markets, which has not only made it difficult for institutions to raise funds through markets but also has reduced the value of their equity holdings, increasing the unlikelihood of Japanese banks' meeting the capital-adequacy requirements set by the Bank for International Settlements (BIS).

Under the BIS capital standards, banks are required to raise their ratio of capital to risk-weighted assets to 8 percent by March 1993.

The BIS allows banks to count as part of their capital funds raised through subordinated loans, a debt that gives creditors lower priority claims to repayment in the event of a debtor's bankruptcy.

The sources said the ministry is expected gradually to allow institutions to resume their borrowing of subordinated loans, along with subordinated bonds, which it has also suspended, after consulting with them about ways to attain the BIS target.

Bank Loans for Land Transactions Decrease

*OW2111115890 Tokyo KYODO in English 1100 GMT
21 Nov 90*

[Text] Tokyo, Nov 21 (KYODO)—The outstanding balance of bank loans for land transactions decreased 186.8 billion yen at the end of September from six months earlier, according to half-year financial reports released by 15 commercial banks Wednesday.

Financial sources attributed the decrease to tightened controls on such lending imposed by the Finance Ministry in April.

At the end of September, the outstanding balance of loans for real estate transactions provided by 12 city banks stood at 19,984.4 billion yen, down 1.3 percent

from 282.1 billion yen at the end of March. The outstanding balance of such loans by three long-term credit banks was up 1.6 percent at 5,903 billion yen.

Kyowa Bank posted the sharpest half-year decrease rate of 16.9 percent while Sumitomo Bank posted the largest decrease of 144.9 billion yen.

Despite the decrease, the outstanding balance of loans related to land dealings was more than double that of the end of March 1985 when the remarkable rise of land prices began.

North Korea

Official Accepts Seoul Music Festival Invitation

SK2111110090 *Pyongyang Domestic Service*
in Korean 0800 GMT 21 Nov 90

[Letter from Kim Won-kyun, chairman of the Korean Musicians Union Central Committee, sent to Hwang Pyong-ki, director of the Seoul Traditional Arts Troupe, on 21 November—read by announcer]

[Text] Mr. Hwang Pyong-ki, director of the Seoul Traditional Arts Troupe: I received your 12 November letter. I am pleased that, out of a sole desire to hasten the reunification of the country, you proposed the '90 year-end traditional music festival for reunification and invited the North's musicians and artists. It is very good to hold the '90 year-end traditional music festival for reunification, following the pan-national music festival for reunification, at a time when people from all walks of life in the North and South and overseas are more ardently yearning for national reconciliation and unity and the reunification of the fatherland than ever before.

The historic pan-national music festival for reunification, which was arranged for the first time in 45 years after the division of the fatherland as a result of the joint efforts of all of us, was a meaningful stage for grand national reconciliation which has proven that even though the barrier of division cuts across the land there can be no barrier that we cannot cross and that we can pool our strength and achieve the consensus of will in the patriotic path toward achieving reunification—the nation's earnest desire. Even though they have differences in ideas and ideology and are living in different places, all of the musicians from the North and South and overseas who participated in the pan-national music festival for reunification, were brimming with the will for reunification and sang the songs of reunification with a single patriotic desire. Our songs and tunes which were resounded in every theater in Pyongyang filled the hearts of the fellow countrymen, which had been frozen by confrontation and mistrust, with the warm air of reconciliation and unity, and vigorously inspired all the compatriots in the North and South and overseas, who hope to ease sufferings from division, into a pan-national movement for reunification.

However, we cannot be satisfied with this, and the march of the artists of the North and South toward reunification must continue. From this perspective, I believe that the '90 year-end traditional music festival for reunification, which will be held in Seoul, will be a meaningful festival; positively support and welcome your proposal; and willingly accept your invitation.

In connection with this, considering our artists' earnest desire to participate in this year-end music festival for reunification and to sing the songs of reunification and share compatriotic feelings with the artists of the South, I present my opinion that the number of people [to attend the festival] would be around 50. In addition, in order to discuss procedural matters for our artists' participation in the '90 year-end traditional music festival for reunification, I propose a preliminary contact, to be attended by three people from each side, at 1000 on the morning of 26 November at the conference room of the Neutral Nations Supervisory Commission in Panmunjom. I expect that I will receive an affirmative reply from you, Mr. Hwang.

[signed] Kim Won-kyun, chairman of the Korean Musicians Union Central Committee

[dated] 21 November, Pyongyang

N-S To Meet 27 Nov Prior to High-Level Talks

SK2111105590 *Pyongyang Domestic Service*
in Korean 0800 GMT 21 Nov 90

[Text] The first contact of working-level delegates to prepare for the third North-South High-Level Talks started at 1000 this morning at Tongilgak, on our side of Panmunjom. Present at the contact were two delegates and a responsible liaison official from our side and the South side. The contact was held in camera.

After the contact was over, the delegate Paek Nam-chun gave an interview to the reporters. According to him, in today's contact of working-level delegates, the two sides each presented a draft of a document to be adopted at the third North-South High-Level Talks and discussed it. The two sides promised that they would further study each other's draft of the document and concluded the contact. They decided to hold the next working-level contact on 27 November.

South Premier Kang Yong-hun's Remarks Denounced

SK2011150290 *Pyongyang Domestic Service*
in Korean 0020 GMT 17 Nov 90

[NODONG SINMUN 17 November commentary: "Absurd Remarks Revealing True Nature of Nation-Selling Traitors"]

[Text] South Korean Prime Minister Kang Yong-hun toured Japan for 4 days from 11 November on the pretext of attending the enthronement ceremony of the Japanese emperor.

Contacting Prime Minister Kaifu and former Prime Minister Takeshida while staying in Japan, he made impudent remarks on the issue of normalizing diplomatic relations between the DPRK and Japan, and begged their support for the entry of South Korea into the United Nations. Furthermore, he acted wrongfully and slandered others in connection with the North-South High-Level Talks.

Mentioning the issue of normalizing diplomatic relations between the DPRK and Japan, he raved that Japan should prudently handle this issue so as to bring harmony and progress to the North-South dialogue and should carefully deal with the issue. We must say that these are indeed presumptuous and ridiculous remarks.

Normalization of diplomatic relations between the DPRK and Japan, which should be resolved in accordance with the joint statement of the Workers' Party of Korea [WPK], Japan's Liberal Democratic Party [LDP], and the Japanese Socialist Party [JSP] on the relations between the DPRK and Japan, is strictly a matter between the government of our nation and the Japanese government and not an issue in which the South Korean puppets should recklessly meddle.

Normalization of diplomatic relations between the DPRK and Japan is an issue which should proceed from the independent will and responsibility of the governments of two nations and which should be resolved in compliance with the aspirations of the peoples of the two countries and in the interest of peace in Asia and in the world. This issue has nothing to do with North-South dialogue.

We must regard the South Korean puppets' act of poking their noses into other people's business as reckless obstructionist maneuvers to hinder the development of DPRK-Japan relations.

They put forward separatist proposals when they come to the table for dialogue with us and used delaying tactics, making various unfair excuses. In addition, they frantically perpetrated anticommunist fascist maneuvers and northward aggressive war rackets behind the curtain of dialogue. Thus, they used the North-South dialogue to maintain power and perpetuate division. Now, they rave that they are opposed to hastiness in normalizing the DPRK-Japan diplomatic relations and that this issue should prudently dealt with in relation to progress in the North-South dialogue. All this reveals that they are attempting to disturb the normalization of DPRK-Japan diplomatic relations.

Normalizing and developing the relations between the DPRK and Japan based on the ideal of independence, friendship, and peace not only corresponds to the interests of the peoples of two countries but also serves as a contribution to peace and prosperity in Asia and in the world. This is precisely why the good people of the world, apart from the broad range of the people, are

hoping that the agreements stipulated in the joint statement of three parties will be earnestly implemented at an early date and that DPRK-Japan relations will be normalized.

The South Korean puppets' action to block the normalization of DPRK-Japan relations is a premeditated maneuver to destroy [pakoe] peace and security in Asia and in the world, running counter to the ideal of independence, friendship, and peace.

Such an attempt by the South Korean ruling bunch was clearly revealed by the fact that in a conference of the so-called logistic cooperation committee held in Washington a few days ago, the U.S. imperialists and the puppets decided upon their respective operational responsibility in the northward aggressive war provocation in Korea, the introduction of U.S. troops in South Korea into this war and drastically increasing their number, and deploying the puppet army in the war as mercenaries.

In Japan, Kang Yong-hun also raved that the North side's disagreement with the South's plan for simultaneous entry or separate entry of the North and the South into the United Nations is regrettable and so forth. He then entreated Japan for support and cooperation for the South's proposal for UN Membership, thus acting like a spiritless man.

As is known to all, the issue of UN Membership of the North and South is an important domestic issue of the nation which is directly linked to reunification and related to the nation's destiny. Therefore, this issue should be discussed and agreed on between the North and South based on the principle of national self-determination.

Kang Yong-hun, who participated in the North-South High-Level Talks as senior delegate of the South side, begged for support and cooperation for the separatist plan of simultaneous entry and separate entry into the United Nations while touring a foreign country. However, he did not show any enthusiasm in the talks for resolving the issue of UN membership in compliance with aspirations of the people for reunification. This reveals his unchanged separatist scheme and true nature of a nation-selling flunkeyist who has no sense of national dignity and sovereignty.

Through his own acts, Kang Yong-hun also showed that he is opposed to national reunification and is attempting to use the United Nations as a stage for a two Koreas plot.

Kang Yong-hun's remarks that there is no change in the North's attitude on the reunification issue and that the responsibility for the failure in successful progress in the North-South High-Level Talks falls on us are also absurd and preposterous.

The fact that the past two sessions of the North-South High-Level Talks ended without any fruition contrary to

the people's expectations is entirely due to the anachronistic idea for confrontation and antireunification maneuvers of the South Korean ruling bunch.

Let us talk about acts of Kang Yong-hun, senior delegate of the South side's delegation to the North-South High-Level Talks, carried out at the hall of the talks.

During the second session of North-South High-Level Talks, he frantically opposed the agreement on and adoption of a declaration concerning nonaggression between the North and the South by saying that he "has no authority" and "it is difficult in view of procedural aspects."

When he was struck dumb by our just assertions, he even stated that if he agrees on adopting the declaration, he must go to prison. Thus, he did not respond to our demand.

We must say that this is indeed an intentional act designed to obstruct progress in the talks. The South side slandered our political system even at the talk's table while attempting to take the venue of North-South dialogue as a stage of confrontation. Thus, the South side spoiled the atmosphere for dialogue by perpetrating such provocative acts.

Today war exercise commotion is being waged in South Korea against us every day and repressive maneuvers against the people calling for reunification are perpetrated.

Those who have not changed their attitude on the reunification issue are the puppets themselves and those who lay obstacles on the path for reunification and are engrossed in an outdated idea for confrontation, are the very South Korean ruling bunch.

Falsehood cannot convince anyone in this bright world. The South Korean authorities should discard the foolish idea to permanently divide the nation by depending on outside forces and to maintain their remaining years under the protection of outside forces. They should immediately suspend the antinational criminal act that runs counter to the national flow toward reunification.

Daily on South's Social Disorder, 'Suppression'

SK2111052990 *Pyongyang KCNA in English*
0456 GMT 21 Nov 90

["Shameless Jargon of Fascist Maniac"—KCNA Headline]

[Text] Pyongyang November 21 (KCNA)—NODONG SINMUN today charges that the No Tae-u group is ruthlessly suppressing the struggle of people for democracy, alleging that they are to blame for the social disorder created in South Korea.

Recalling that No Tae-u some time ago told religionists of South Korea that the "difficulties of the present time"

will increase because of the "excessive demand" of the people "in the process of democratisation", the news analyst says:

As for the real cause of the social disorder in South Korea, it is not the "excessive demand" of the people for democratisation, but the excessive suppression of the justifiable desire of the popular masses by the No group and its harsh military fascist rule.

The fascist clique, after grabbing power, even invented a method of repression called "blockade in the initial stage" and resorted to indiscriminate crackdown on rallies and demonstrations held by the people in demand of democracy, while increasing the police force by more than 10,000 men every year.

The No group's complaint about "excessive demand" for democracy and the like are an insult the people struggling for democratisation and a pretext to further intensify its dictatorial politics.

U.S. Plans To Reinforce S. Korean Army Denounced

SK2111051890 *Pyongyang KCNA in English*
0447 GMT 21 Nov 90

[Text] Pyongyang November 21 (KCNA)—The U.S. Defence Department on November 19 made public their plan to deliver military equipment worth 356 million dollars to the South Korean puppets, according to a report.

Its notification to Congress indicates that the equipment will include 20 Cobra attack helicopters, 42,000 artillery shells and TOW anti-tank missiles.

Blaring that they are to "modernise" the South Korean puppet Army, the U.S. imperialists did not bother to conceal their aggressive intention to drive out the puppets to a war against the North.

The fact proves that the United States is the very one aggravating the situation on the Korean peninsula.

Air Force Exercises of U.S., ROK Reported

SK2111051290 *Pyongyang KCNA in English*
0429 GMT 21 Nov 90

[Text] Pyongyang November 21 (KCNA)—The U.S. imperialist aggressors on November 14 swiftly moved formations of nuclear-capable "F-16" fighter-bombers and "A-6" assault planes based in Kadena, Okinawa and Iwakuni, Japan, to the Osan Airforce Base in South Korea and staged a joint exercise for a preemptive strike at the targets in the strategical depths of the northern half of Korea in the air above Kunsan on November 15 and 16 in coordination with scores of "F-16" fighter-bombers of the U.S. 7th Air Force present in South Korea, according to military sources.

On November 14, formations of "A-6" assault planes based in Iwakuni, Japan, staged a strafing exercise simulating invasion of the North in the skies above Sangdong, Kunwi and Umsong, South Korea, in coordination with formations of "F-16" fighter-bombers belonging to the U.S. 7th Air Force.

On November 13 and 14, the U.S. imperialists mobilized Guam-based "KC-135" refueling tankers in an exercise of mid-air refueling of 36 "F-16" fighter-bombers and 10 "OA-10" airborne warning and control planes of the U.S. 7th Air Force in the skies above Kwangju and Chongup.

Planes which had participated in the provocative aerial war exercises of the U.S. imperialists and the South Korean puppets in the South Korean airspace on November 13 and 14 totalled more than 1,100.

Soviet Ambassador Attends Opening of Film Week

SK2011153290 Pyongyang KCNA in English
1520 GMT 20 Nov 90

[Text] Pyongyang November 20 (KCNA)—The opening ceremony of the Soviet film week was held today at the Pyongyang International Cinema House on the occasion of the 73rd anniversary of the Great October Socialist Revolution.

Present at the ceremony were officials concerned, working people in the city, Soviet ambassador to Korea and his embassy officials, and a Soviet movie delegation.

The attendants saw a Soviet feature film.

Japanese Groups Urge Normalization of Ties

SK2111051590 Pyongyang KCNA in English
0433 GMT 21 Nov 90

[Text] Tokyo November 19 (KNS-KCNA)—Various organizations of Japan have strongly urged the authorities to establish diplomatic relations with the Democratic People's Republic of Korea at an early date.

In a resolution the Hokkaido Society of Teachers for Supporting the Independent and Peaceful Reunification of Korea said the publication of the joint declaration of the Workers' Party of Korea, the Liberal Democratic Party and the Socialist Party of Japan is a big stride towards the normalization of Japan-DPRK relations and it can be estimated as a signal one in content, too.

The resolution strongly demanded that in order to carry the joint declaration into effect, the Japanese Government begin an inter-governmental negotiation with sincerity at an early date for the establishment of diplomatic relations.

A similar resolution was adopted at a regular meeting of the Federation of Teachers Unions in Anan City, Tokushima Prefecture.

The petition adopted at a regular meeting of the Council of Trade Unions in Shimizu Area, Shizuoka Prefecture, expressed the hope that Japan-DPRK relations will be normalized at an early date and requested the Japanese Government to strive to this end.

Youth Group in Japan Holds 'Frontrankers' Meeting

SK2111052190 Pyongyang KCNA in English
0441 GMT 21 Nov 90

[Text] Pyongyang November 21 (KCNA)—A frontrankers' meeting of Korean youth in Japan was held in Osaka on November 17, according to a KNS report from Tokyo.

Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), conveyed a congratulatory message the great leader Marshal Kim Il-song sent to the meeting.

At the meeting model members of the League of Korean Youth in Japan (Chochong) were awarded the "Kim Il-song Youth Honor Prize".

Introduced there were a silk banner and a congratulatory message sent by the Central Committee of the League of Socialist Working Youth of Korea.

Speaking at the meeting, Chairman Han Tok-su said that over the past 35 years Chochong has done a lot of things as the reserves of Chongnyon for rearing young successors to its patriotic cause and as a unit of young frontrankers in fulfilling the patriotic tasks. Feats performed by Chochong organizations are clearly illustrated by the fact that many members of Chochong have become Chongnyon officials, patriotic traders and businessmen and specialists and played a big role, he added.

He referred to the question of invigorating education among broad segments of Korean young people and other tasks facing Chochong.

He expressed the belief that the participants in the meeting will continue displaying the honor and mettle of the frontrankers of the youth movement and this meeting will mark a signal turn in the development of the movement of Korean youth in Japan, so as to faithfully live up to the deep trust and expectation of the great leader Marshal Kim Il-song and the dear leader Comrade Kim Chong-il.

Yi Myong-kyon, chairman of the Central Standing Committee of Chochong, delivered a report, which was followed by speeches.

Different units which have shown example in the work of Chochong were awarded the "reunification frontrankers' prize", etc.

A letter to Marshal Kim Il-song was adopted at the meeting.

Friendship Delegation Leaves for Cuba

*SK2111115290 Pyongyang KCNA in English
1039 GMT 21 Nov 90*

[Excerpt] Pyongyang November 21 (KCNA)—A friendship delegation of Pyongyang Municipality led by Hong In-ho, vice-chairman of the Pyongyang Municipal Administration and Economic Guidance Committee, left here today to visit Cuba. [passage omitted]

KCNA Reviews 21 Nov Pyongyang Press

*SK2111054590 Pyongyang KCNA in English
0500 GMT 21 Nov 90*

[Text] Pyongyang November 21 (KCNA)—Papers here today report that seminars on the great leader President Kim Il-song's works were held in different countries.

Works of dear Comrade Kim Chong-il were studied and disseminated in various countries, says NODONG SINMUN.

A collection of 50 precious revolutionary literary and art works written by Comrade Kim Chong-il was off the press, according to papers.

NODONG SINMUN conveys voices of the world public praising the brilliant exploits of Comrade Kim Chong-il who steadily develops and enriches the immortal chuche idea.

The economic news of the press includes reports that the Nakwon Machine Complex increased production of machines and equipment, the Kangdong District Coal Mine Complex boosted coal production and rural villages across the country pushed ahead with preparations for next year's farming.

NODONG SINMUN comes out with an editorial headlined "Let Us Bring the Revolutionary Zeal of People Into Fuller Play in Socialist Construction Through Political Work" and an article entitled "Strategy and Tactics of Revolution Based on Role of Popular Masses Clarified By chuche Idea".

The February 8 Film Studio released a new feature film "Spring of Life" and the Korean Film Studio "My Mother", according to the press.

Papers inform the readers that the head of the North's side delegation to the North-South High-Level Talks sent a telephone message to his South side's counterpart on the working-level contact for the preparation of the third North-South High-Level Talks, and the acting chairman of the Central Committee of the Red Cross Society of the DPRK sent a telephone message to the president of the South Korean Red Cross.

NODONG SINMUN reports that the secretary general of the National Executive Committee of the American Popular Revolutionary Alliance of Peru met a delegation of the Workers' Party of Korea and that a Soviet film week opened.

In an article the paper holds that North-South dialogue must be a dialogue for reunification.

Given in the press are a report that a frontrankers' meeting of Korean youth in Japan was held in Osaka and South Korean news including reports that the National Federation of Farmers' Associations of South Korea declared it would hold a grand harvest meeting, and a "national rally for the independence of education" was held in Seoul.

NODONG SINMUN comments on the South Korean authorities' merciless suppression of the people in the struggle for democracy.

The paper says that the proposal for founding the democratic confederal republic of Koryo enjoys support from different countries and the Burundi minister of external relations and cooperation stressed the future of Korea is bright.

Given in the press are reports that the Soviet president visited Italy, the Guinean president visited Cuba and Poland and Germany signed a treaty on the current border.

Papers inform the readers that Japanese social organizations demanded the opening of diplomatic relations between Japan and Korea, a spokesman for the Ministry of Foreign Affairs of China flailed the Jordanese crown prince's visit to Taiwan, and a Soviet paper reported about non-fulfilment of economic plans for October.

NODONG SINMUN introduces economic briefs from Cuba.

In an article, the paper says that prevention of war and defense of peace are a consistent policy of the government of the Democratic People's Republic of Korea.

Sociopolitical Life Under Party Viewed

*SK1811055890 Pyongyang Domestic Service
in Korean 0007 GMT 11 Nov 90*

[NODONG SINMUN 11 November special article: "Making Political Life Shine in the Bosom of the Party Is Our People's Great Honor"]

[Text] As their happiness has further increased today, our party members and workers have deeply recognized how precious their political life, which has taken its root with the origin in the bosom of the great party and the leader, is.

Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the party Central Committee, has noted: All communist revolutionaries of Korea have been given an eternal political life by the fatherly leader and have grown up under his love and tender care. Indeed, our leader is our great leader and the parent of our political life.

With the most priceless political life which no one has ever enjoyed before, our people are living and working in a rewarding manner.

In the past, our people were deprived of the country by outside aggressors, were deserted like a pebble beside the road, and suffered all types of contempt and humiliation. Today, however, our people have fully displayed their independent dignity and honor and have made their precious political life shine in party organizations, workers' organizations, and other political organizations. This is a drastic change in the status of our people.

For this reason, our people deeply recognize how invaluable their political life is, comparing today's happy life with their past status.

The matchless preciousness of our people's political life is based on the greatness of its root. Only when men become masters of social and political organizations as social beings can they be possessed of a precious socio-political life. In this sense, the root of men's socio-political life is a social group.

How invaluable and beneficial socio-political life that men possess is determined by the independence and might of the social group they belong to. The men who belong to a mightier and more advanced social group possess themselves a more precious socio-political life. This might is the power of men's socio-political life and social group.

An individual separated from a group does not exist any more than the level of development of an individual socio-political life and its might apart from the level of development of a social group and its power can be talked about.

Since the most advanced and mightiest social and political group is a social and political organic body in which the leader, the party, and the masses are united in a single fate, the genuine root of men's socio-political lies the united body of the leader, the party, and the masses. In this structure, the leader—the supreme brain and center of this social and political organic body—founds a party, strengthens and develops it into a mighty weapon for the revolution and construction, and nurtures the masses into a heroic people by ideologically awakening and organizing them.

In this sense, it can be said that the origin of men's socio-political life lies in the bosom of the leader and the party.

Our people's genuine life, their precious political life, began when they upheld the respected and beloved leader Comrade Kim Il-song.

A socio-political life is not innate nor does it come into being of itself just because men want it. It can be possessed and made to shine only when men are in the bosom of the great party and the leader.

Our people's political life is the most precious one which has taken its root, has developed, and has been made to shine only in the bosom of the great leader Comrade Kim Il-song.

The great leader restored the fatherland for our people, who had mourned under the status of colonial slaves, has given them a political life, has helped them be conscious of the fatherland and the revolution, and has led them to make their rewarding life along the single road of the revolution.

The root of our people's political life has been more stoutly cemented in the bosom of our party.

Dear Comrade Kim Chong-il has embraced our people in his benevolent bosom and has become the protector and benefactor of their political life, thus brilliantly leading the fate of our party members and workers. Today when the revolution has advanced a great deal, our people are living and struggling while making their precious political life shine and overflow with hopes and ambitions.

Indeed, our people have been organizationally and ideologically united with the great leader at the center, thus possessing an eternal independent life.

Just as strong and evergreen branches and leaves stem only from a deep and stout root, an eternal independent life can grow and bloom only in the eternal social and political organic body—the united body of the leader, the party, and the masses.

Today our people have been given an eternal political life by the respected and beloved leader and have made it shine to the end under the warm love and care of our party. Therefore, our people call the respected and beloved leader the great father of their political life and our party the great motherly party.

In this way, the matchless superiority and value of our people's political life are based on the greatness of the party and the leader, the root of their political life.

The leadership of the great party and leader is a factor that enables our people's political life to become the most independent life.

Independence is the intrinsic nature of human beings and the life of a country and a nation. Those who have lost independence cannot be called social men; the countries and nations whose independence are trampled underfoot cannot be sovereign states.

Thanks to the leadership of the great leader, our people's social and political life thoroughly and comprehensively embodies this independent nature of human beings.

Since the leader is the center that unites the independent demands and interests of the general masses as one, the leadership of the great party and leader is a factor that makes it possible to personify the independent vitality of the general masses at the highest level.

Having personified the independent demands and aspirations of our people, the great leader has devoted everything to meeting them. Always setting forth independence as the life of the country and the nation, the great leader has built the most independent party and state and has constructed a self-reliant national economy.

Today our people have firmly established *chuche* in the revolution and construction, have fought in our own manner, and have enjoyed a dignified political life in independent political organizations. This clearly confirms how independent a political life our people enjoy thanks to the benevolence of the great party and leader.

Because they are possessed of an independent social and political life, our people have taken the post of the masters of the state and society and have enjoyed the rights and life worthy of dignified independent human beings to their hearts' content.

The leadership of the great party and leader is a factor that enables our people's political life to become the most creative life.

Creativity along with independence constitutes the intrinsic demands of social men. The value and superiority of a social and political life are determined by how high men's creative abilities and roles are.

The creative living activities of men are unifiedly organized and conducted only by the leadership of the party and the leader.

The leader is the center which pools the creative power and resourcefulness of the people and unites them into the organized strength of the general masses.

Under the leadership of the party and the leader, the general masses correctly grasp the movement law and characteristics of an objective thing, remodel and reform it, and grow and develop into the powerful main forces of a social movement. Thus, a social and political collective conducts creative living activities with an independent life, and the social and political life of the people shines as the most creative one.

Because it embodies the creative nature of social human beings, the social and political life of our people is the most dignified life.

To make shine the social and political life given by the fatherly leader while preciousely cherishing it, all the people actively participate in their organizational and ideological life as the members of the party organizations and the social and political organizations led by it. In this course, they constantly discipline and develop themselves politically and ideologically and contribute to strengthening the unity of the leader, the party, and the masses.

The invincible might of our people, who are united around the party and the leader in a single-hearted

manner, and the grand monumental creations and construction structures of the era of the Workers' Party built everywhere in the country thanks to the might of our people are inconceivable without the wise leadership of the party and the leader.

Today the idea and intention of the great party and leader have become precisely the faith and will of our people; the conception and decisions of the party and the leader have become the sources of the people's victory and faith.

For this reason, our people are making the creative value of their political life shine amid the rewarding struggle of the revolution and construction under the slogan "Once the party has made a decision, we surely implement it."

The leadership of the great party and leader is a factor that enables our people to further make their social and political life shine on the basis of the comradely love and obligation of sharing life and death and weals and woe.

The matchless superiority of the social and political life to a physical life lies in being based on a revolutionary love and obligation.

A comradely love and obligation greatly function in firmly uniting the general masses into a single fate. There is no more consolidated and mighty social and political group than the social and political organic body united with the bonds of blood.

How warm and lofty this comradely love and obligation, which fills a social and political group, are depends on the greatness of the party and the leader, the root of an individual life.

The leader—the center of the life of a collective which has personified a revolutionary comradeship and obligation—plays a decisive role in helping the general masses to firmly unite with each other on the basis of comradeship and obligation.

Comradely love and obligation filling a collective proceed from the great idea of the leader and lofty communist virtue. Revolutionary comradeship and obligation among individual members in the collective are very warm and noble because they are based on the great political trust and love of the party and the leader and the people's loyalty to the leader.

Today our people are fully exhibiting revolutionary comradeship and obligation on the basis of the great leader Comrade Kim Il-song's *chuche* idea and lofty communist virtue and our party's high political credibility and love.

The love and leadership of the great party and leader are a basis which gives play to the revolutionary comradeship and obligation of our people.

The reason why comradely love and obligation filling our society is very warm and noble lies in the fact that the

leader's idea and virtue—the basis of the comradely love and obligation—are very lofty.

No force can match the might of our people who are combined with each other on the basis of revolutionary comradeship and obligation under the party and the leader.

Indeed, our people's possession of an eternal political life has taken its root with its origin in the bosom of the great party and leader and has grown into a mighty life with matchless honor and pride.

South Korea

N-S Meeting Ends Without Draft Agreement

SK2111081890 Seoul YONHAP in English 0726 GMT
21 Nov 90

[Text] Panmunjom, Korea, Nov. 21 (YONHAP)—South and North Korea ended a working-level contact Wednesday without drawing up a draft agreement to be signed by their prime ministers in Seoul next month.

The 90-minute encounter took place behind closed doors but head South Korean delegate Yi Pyong-yong said afterward that disagreement centered on whether to adopt a declaration of nonaggression with or without an agreement on improving relations through exchange and cooperation.

"North Korea has consistently maintained the adoption of a nonaggression declaration but we cannot accept it if it is not accompanied by an accord on exchange and cooperation," said Yi, an aide to Prime Minister Kang Yong-hun. "Our position is that the declaration of nonaggression should be closely linked with the improvement of basic relations between South and North Korea."

The working-level meeting was attended by two delegates and a liaison official from each side and Yi said both sides were to blame for the failure to compromise on the draft agreement.

Paek Nam-chun, a member of North Korea's Administration Council, said separately that North Korea was willing to talk about exchange and cooperation side by side with a nonaggression declaration. The North Korean chief delegate said he also presented a draft agreement on exchange and cooperation. Paek said the working-level contact could have an impact on the premiers' talks while Yi said the two sides had agreed it should not have an impact.

They agreed to meet again on Nov. 27 at Panmunjom.

Adoption of Nonaggression Declaration 'Difficult'

SK2011044590 Seoul CHUNGANG ILBO in Korean
18 Nov 90 p 2

[Text] It seems that adoption of a nonaggression declaration between the North and the South will be difficult to achieve at the third round of talks of prime ministers of the North and the South to be held in Seoul for 4 days starting 11 December.

In a joint conference of relevant agencies and organizations held on the afternoon of 16 November to formulate a basic position toward the preliminary talks for the third round of North-South prime ministers' talks, the government decided to refuse the North side's demand for a separate conclusion of a "joint declaration for reconciliation and cooperation between the North and the South," which was called a declaration for exchange and cooperation, and a nonaggression declaration.

Thus, it appears that unless there is a notable change in the North Korean side's attitude during the third round of talks, specific results at the talks can hardly be expected.

The government reviewed the North side's proposal for a separate nonaggression declaration and a declaration for exchange and cooperation as was put forward during the second round of prime ministers' talks in Pyongyang, because it regarded this proposal as a forward-looking plan. However, it has been learned that since fierce criticism of the idea for separate adoption began to take place among the government offices, the government returned to its original position to include the nonaggression declaration and the contents for exchange and cooperation in the joint declaration.

A government official explained that if the declarations are signed separately as the North side demands, only the North side's position toward 1) withdrawal of U.S. troops in Korea, 2) denuclearization of the Korean peninsula, 3) tripartite talks for concluding a peace agreement, will be strengthened, thus making it hard to work out our own corresponding strategy. He also stated that our government judged that there was a great possibility that the North Korean side might intentionally ignore the declaration for exchange and cooperation even after signing the nonaggression declaration together with the declaration for exchange and cooperation.

It has been learned that the government will replace some members of our side's delegation to the third round of North-South prime ministers' talks.

Defense Ministry Announces Redeployment Plans

SK2111021790 Seoul THE KOREA TIMES in English
21 Nov 90 p 1

[Text] Thirty-two military units stationed in and around the capital Seoul and major cities will be moved to remote mountains and fields next year, Defense Minister

Yi Chong-ku yesterday disclosed to the National Assembly's National Defense Committee. "To carry out the redeployment of the military units, the ministry allotted 418.8 billion won," Minister Yi testified at the Assembly.

The ministry plans to activate new mechanized army divisions and introduce attack helicopters and other new weapons systems next year, Minister Yi said. He said South Korea will have to continue to build up its military to cope with growing North Korean threats.

"Despite worldwide detente, North Korea has not yet given up its scheme to unify the peninsula through force of arms," said Yi, a former army chief of staff who assumed the top defense post about a month ago. He outlined the force improvement plans as he sought parliamentary approval for next year's defense budget of 10.6 billion U.S. dollars, up 12.8 percent from this year. Next year's defense expenditures would account for nearly one-third of the government's total budget and about 5 percent of Korea's annual gross national product.

The minister said South Korea needs more mechanized infantry units to cope with North Korea's continuing military buildup. He did not say how many mechanized units would be added next year. He said, however, the new divisions would be equipped with Korean-made tanks and armored vehicles as well as attack helicopters, presumably to be imported from the United States.

On Monday, the U.S. Defense Department announced plans to sell South Korea 20 AH-1F Cobra attack helicopters and 42,000 rounds of artillery and anti-armor munitions in deals valued at a total 356 million dollars. The attack helicopters would include the TOW anti-tank missile system and would help South Korean officials "continue their force modernization plans," it said. Yi also said South Korea will start building its first submarine and add more high-speed naval boats and surface-to-surface guided missiles next year. Other defense officials said the submarine will be in addition to six medium-size submarines to be imported from Germany.

Prosecutor Decides Jurisdiction for U.S. Soldiers

SK1611124290 Seoul SEOUL SINMUN in Korean
15 Nov 90 p 19

[Text] (Pusan—YONHAP) Prosecutor Chong Man-chin in the East Branch of the Pusan District Prosecutors Office decided to exercise the domestic jurisdiction over Cpl Gavin Koppelman (29) and Pfc Dustin Solomon (20), both of whom belong to Changsan radar base at the U.S.'s Camp Hialeah, and who were booked by the police on charges of violence and interference in the execution of official duties. He will forward this opinion to the Ministry of Justice through Pusan District Prosecutors Office in two or three days.

Prosecutor Chong stated: "These American soldiers did violence on Korean civilians while disregarding the carryag

out of official duties. Therefore, the Korean side has first-stage jurisdiction over them. In view of the present social atmosphere that seeks the elimination of violence, we decided to exercise the right of investigation."

Seoul To Make Some Concessions on U.S. Trade

SK1711040290 Seoul YONHAP in English 0259 GMT
17 Nov 90

[Text] Seoul, Nov. 17 (OANA-YONHAP)—The South Korean Government will make concessions on some contested trade issues in order to eliminate friction with the United States at an early date, a government source said Saturday. The steps include simplifying beef importation procedures for tourist hotels, removing impediments to the sale of foreign cigarettes, easing quarantine regulations on agricultural imports and permitting a U.S. in-flight catering company to do business in Korea, the source said.

The government will let tourist hotels decide for themselves which beef they import and will ease import procedures, according to the source. It will revise the tax law to ease sales of foreign cigarettes and ask provincial governments to refrain from campaigns promoting the sale of Korean cigarettes. The government will move to ease restrictions on advertising foreign cigarettes and on installing vending machines.

The government is considering allowing imports of American pecans by revising the quarantine law on agricultural products. Korea imports Mexican pecans and the U.S. government claims the Korean government effectively bans imports of American pecans using the quarantine law. He said the government will help Marriott set up an in-flight meals company in Korea, granting it a food production license as soon as possible.

Consumer Groups Threaten To Boycott U.S. Goods

SK1711054690 Seoul YONHAP in English 0247 GMT
17 Nov 90

[Text] Seoul, Nov. 17 (YONHAP)—South Korean consumer groups have responded to U.S. pressure on South Korea to halt a campaign against excessive consumption by calling for a formal apology. The National Council of Consumer Protection Organizations (NCCPO), a coalition of ten consumer groups, said Friday it would launch a nationwide drive to boycott U.S. goods unless Washington formally apologized for its "unjustifiable" demands.

In a statement issued after a meeting to consider the situation, the council said the United States had unjustly defined our private drive against overconsumption and to encourage consumption of Korean agricultural products as a government-orchestrated campaign, calling for its suspension. It said the U.S. Government's position was "contrary to human rights and its demands constitute gross interference in domestic affairs."

The latest U.S. dissatisfaction at the campaign by private Korean organizations was expressed by Assistant Secretary of State for East Asian and Pacific Affairs Richard Solomon during a visit to Seoul on Wednesday. The U.S. official said the campaign was weakening Seoul's market-opening efforts.

The council, headed by Pak Kum-sun, has worked to eliminate profligate consumption and imported goods of dubious quality since September and will continue the nationwide drive to make healthy consumption take root among the people, the statement said.

Soviet Delegation Arrives To Discuss Tax Issue

SK1711024390 Seoul THE KOREA HERALD in English 17 Nov 90 p 6

[Text] A working-level meeting for the signing of an agreement to avoid double taxation between Korea and the Soviet Union will be held in Seoul Nov. 19-23.

The four-member Soviet Delegation, headed by Vladimir T. Rodyushkin [as received], deputy minister for tax affairs, came to Seoul yesterday to attend the meeting.

Meanwhile, Kim Yong-chin, assistant minister for tax affairs at the Ministry of Finance, will lead the four-member Korean delegation.

"Korea and the Soviet Union are expected to initial the agreement which is designed to prevent double taxation. The two sides well recognize the necessity of the pact," said a Ministry of Finance official. "The double taxation avoidance agreement, if initialed, will accelerate Korean enterprises' advance into the Soviet Union," he said.

Korea and the Soviet Union already initialed three economy-related accords—trade, aviation plus science and technology. The two countries also agreed in principle to conclude agreements on investment protection and fishery in the foreseeable future.

Soviet Economic Delegation Cancels Seoul Visit

SK2111022290 Seoul THE KOREA TIMES in English 21 Nov 90 p 1

[Text] The government plans to hold the second economic conference with the Soviet Union in Moscow prior to the visit of President No Tae-u in the middle of next month. The meeting was originally scheduled for Seoul.

The government economic delegation, led by Kim Chong-in, senior secretary for economic affairs to No, will be dispatched to Moscow for prior consultation for economic cooperation and conclusion of various treaties before No's visit, sources said.

Due to this, the scheduled visit to Seoul by a Soviet economic delegation, led by Yuriy Maslyukov, deputy prime minister for economic affairs and first deputy chairman of the Soviet Council, will be cancelled, they said. The Moscow team was to come the Seoul around

Dec. 17 [as published]. The first meeting between the two governments was held in Moscow in early August.

The government plans to bare its intention to import about 4 million barrels of natural gas annually from the year 2000 from the Soviet Union during the second meeting, the sources said. For this, the government will propose South Korea's participation in the development of liquefied natural gas in Siberia and Sakhalin in form of a joint venture. The government will also suggest that North Korea take part in the project by allowing pipelines to pass through North Korea, they said.

As for the size of loans to be offered to the Soviet Union, the sources estimated around \$3 billion.

Meanwhile, an advance team to prepare No's Moscow visit will leave tomorrow, the sources said. The team is composed of working-level officials of Chongwadae, Foreign Ministry and concerned government offices, they said.

Soviets Ask for Help To Commercialize Technology

SK2111102790 Seoul YONHAP in English 0909 GMT 21 Nov 90

[By Kim Hyong-kun]

[Text] Seoul Nov. 21 (OANA-YONHAP)—A visiting group of Soviet officials, scientists and technologists requested South Korean cooperation in putting their scientific advances to commercial use through mutual cooperation in a seminar Wednesday.

The 14-member Soviet delegation, which arrived on Nov. 16 for a week-long visit, told the seminar on Korea-Soviet cooperation in science and technology that the "amalgamation" of personnel and natural resources was not only economical but also efficient. Seven of the delegates, headed by a Presidential Council member Vadim Medvedev, made speeches on what specific fields they think are good prospects for mutual profit, introducing new ideas and developments in scientific fields.

In a key-note speech, Korean Vice Science and Technology Minister Choe Yong-hwan said, "It is noteworthy progress for our nations to seek ways for government-to-government cooperation, rising above the contacts between research institutes, universities and businesses so far."

The Soviet Union has outstanding achievements and reputations in basic science and Korea has accumulated lots of experience in applied research and production technologies, so the two can help each other to be competitive in the world market, he said.

A. Prokhorov, secretary of general physics and astronomy at the Soviet Academy of Sciences, spoke about advanced lasers and their applications, explaining the achievements of the General Physics Institute (GPI) in laser science.

Prokhorov, a nobel Prize Winner, said, "we have established promising relations with industrial enterprises and achieved good results in introduction of our scientific developments into practical laser-based devices and technologies."

Touching on the high-efficiency equipment the Soviet Union successfully developed, he enumerated non-stop fully automated laser monitoring of air pollution, medical lasers with applications in surgery and ophthalmology, and laser material processing.

Yu Tychkov [as received], deputy atomic industry minister, spoke on the utilization of the scientific and technical potential of the Soviet Nuclear Energy and Industry Ministry within the framework of cooperation between the Soviet Union and private Korean firms.

He said, "A set of vacuum metallurgy and vacuum ion-plasma technologies has been developed, aimed at creating promising materials as well as machine parts, instruments and cutting tools on their base with the enhanced life time."

One of his emphasis was given to the Soviet advances in separation of solid particles in gaseous and fluid technological media.

"The technology can be applied to all the sections where micro- and ultrafiltration is necessary such as biology, pharmacology, food industry, electronic industry and chemical industry," he said. "Our cooperation will help you to score big successes in developing ecologically pure productions."

On a speech about scientific and technical programs in the Soviet Union, M. Kruglov, deputy chairman of the State Committee for Science and Technology, introduced 17 state-of-the-art projects under the State Scientific and Technical Programs (SSTP).

The projects include high-energy physics, high-temperature superconductivity, human genome, perspective information technologies, newest methods of bioengineering, high-speed economy unpolluting transport, control of most wide-spread diseases, perspective telecommunication facilities and integrated communication systems, Kruglov said.

"Since South Korea's state projects and the Soviet Union's SSTPS have much thing in common in such ones as intelligent computer, plants protection and safety of nuclear power stations, it opens great possibilities for mutual scientific and technical cooperation," he said.

As for the advantages of the cooperation in technological fields, he said, "Amalgamation of intellectual and material resources of different countries ensures reduction of terms of implementation of priority programs and associated expenditures and expand possibilities of the studies."

Mentioning about the proposals made by the Korean Science and Technology Ministry delegation to Moscow in October, he proposed that the Soviet delegation visit

Korea again in the first quarter of 1991 in order to bring the answers to the proposals along with the Soviet counter proposals.

Samyang Foods To Open Noodle Factory in USSR

SK2011103290 Seoul YONHAP in English 0939 GMT
20 Nov 90

[Text] Seoul, Nov. 20 (YONHAP)—South Korea's Samyang Foods Co. has recently initialed a contract to open an instant noodle factory in the Soviet Union in partnership with the Republic of Kazakhstan, it was reported here Tuesday.

The 5 million U.S. dollar joint-venture deal covers noodle making facilities and the transfer of technology to the Soviet partner, which will be responsible for production.

In return for its investment, Samyang will receive wheat and sunflower seeds valued at 30 percent of noodle sales.

Kazakhstan is the Soviet Union's second largest republic and its population comprises 100-odd ethnic groups, among which Koreans account for 100,000.

Samyang set a first for a Korean company in April, when it sold the Soviet Union 200,000 dollars of noodles and it is reported that the goods are selling well.

Paper Says Japan To Negotiate With North in Dec

SK1711014590 Seoul THE KOREA HERALD
in English 17 Nov 90 p 1

[Text] Tokyo (Yonhap)—The first round of full-fledged negotiations between Japan and North Korea on normalizing relations will likely be held in Pyongyang next month, the Asahi Shimbun reported Friday.

The Asahi, citing Foreign Ministry officials, said that Japan has decided to start the negotiations in December as requested by North Korea and plans to inform the North of it's decision during the preparatory meeting slated for Beijing on Nov. 17.

Pyongyang has demanded Japan start the full-fledged talks in Pyongyang next month while Tokyo requested that the meeting be held in Beijing early next year because of its domestic political schedule.

The Asahi said that Japan agreed to the North's proposal after the planned visit by Kim Yong-sun, a secretary of the Workers Party, to Tokyo next month was delayed indefinitely by political developments in Japan.

However, Japan plans to exclude compensation for the "losses" after World War II from the agenda of the talks, casting a gloomy shadow on the Pyongyang meeting, the paper said.

Ministerial Meeting With Japan Set for 26-27 Nov*SK2011083890 Seoul YONHAP in English 0704 GMT
20 Nov 90*

[Text] Seoul, Nov. 20 (OANA-YONHAP)—The legal status of Koreans in Japan, trade imbalance and technological cooperation will top the agenda at the 15th South Korea-Japan ministerial conference, meeting next week for the first time in four years.

Ministers and representatives of the foreign, transportation, finance, justice, agriculture, economic planning, trade, and science and technology ministries will hold group and individual negotiations during the Nov. 26-27 session. The delegations, which will be headed by foreign ministers Choe Ho-chung and Taro Nakayama, will concentrate on issues discussed during President No Tae-u's visit to Japan last May.

No, in meetings with Prime Minister Toshiki Kaifu, agreed to hold the ministerial conference, last held in Tokyo in December 1986, this year to correct a chronic bilateral trade imbalance, seek pacts on technology transfers and nuclear science projects, and to discuss political developments on the Korean peninsula and in Northeast Asia.

Talks on nuclear study cooperation are under way and a buying mission came to Seoul last month as part of efforts to promote imports from Korea. Foreign Ministry officials predict, however, that the chief issue will be upgrading of the legal status of Koreans in Japan, most of whom are descendants of Koreans taken to Japan as slave labor during World War II.

Talks on the issue in April between the foreign ministers produced agreements on the abolition of fingerprinting for Koreans from the third generation onward and on extending the reentry period to five years. In the conference, Korea will demand that the same conditions be expanded to cover first- and second-generation Koreans. Of major concern other than fingerprinting and reentry are easing the requirement to carry an alien registration card at all times and limiting deportation to serious offenders against the state instead of all convicted criminals.

Japanese officials said in April they would seek alternatives to the controversial fingerprinting practice for first- and second-generation Koreans. But Japanese newspapers, quoting foreign and Justice Ministry officials, recently reported that the Tokyo government is likely to continue the practice while easing reentry and expulsion rules.

Monday's working-level talks on this specific issue ended without making much progress and with the two sides considerably apart in demands and concessions.

Other major agenda items will be moves by Tokyo to improve diplomatic relations with Pyongyang. South Korean officials are expected to reiterate their stance that Japan should make its overtures to North Korea in full consultation with South Korea and in balance with

Korea-U.S., Korea-Japan and inter-Korean developments. Nakayama, who arrives in Seoul on Sunday, will meet with No and with Prime Minister Kang Yong-hun during his stay.

No Progress in Talks on Koreans in Japan*SK2011014290 Seoul YONHAP in English 0109 GMT
20 Nov 90*

[Text] Seoul, Nov. 20 (OANA-YONHAP)—Working-level talks on the legal status of Koreans in Japan, including abolition of fingerprinting, ended without significant progress Monday.

The talks, to lay the ground for a Nov. 26-27 meeting between the South Korean and Japanese foreign ministers in Seoul, were conducted by Kim Chung-ki, director-general for Asian affairs at the Korean Foreign Ministry, and his Japanese counterpart, Sakutarō Danino, and covered Japan's discriminatory policies against Korean residents.

Most of the Koreans are those who were shipped to Japan as laborers during World War II to feed the Japanese war machine or their descendants.

Korean demands include abolition of fingerprinting for first- and second-generation Koreans, extending the reentry period for visas to five years, expulsion only of those Koreans convicted of serious state offenses rather than all offenders, and easing the requirement to carry an alien registration card at all times.

Fingerprinting regulations are waved for third-generation Koreans, the first of whom are just now being born, but Danino was reported as saying Japan may continue the practice for their parents and grandparents.

The two sides also failed to make progress on allowing Japanese Government agencies to employ Korean citizens.

"The Japanese side came up with suggestions on countering social discrimination, and we did mark progress on some of the concerned issues," Kim said after meeting with Danino, but added that there were still major differences.

There may be an announcement of agreement on some of the points at next week's ministerial meeting, Kim said, suggesting reentry periods and deportation as possible areas of accord.

The two countries will continue working-level discussions until mid-January, Kim said.

China's Stance on UN Membership Analyzed*SK1711005090 Seoul THE KOREA HERALD
in English 17 Nov 90 pp 2, 9*

["News Analysis" by staff reporter Kim Hye-won]

[Text] Signs are that the Seoul government will postpone its application for U.N. membership until next year.

China, one of the five standing members of the U.N. Security Council with veto power on any U.N. membership, still avoids making clear its stance on Seoul's U.N. entry, saying neither yes nor no. Beijing officials informally advise Seoul to settle the issue through dialogue with North Korea.

The Seoul government is also unclear on whether it will submit an application this year or not, only reiterating its basic position that it would do so at an "appropriate time." The ambiguity in the attitudes of both Seoul and Beijing officials, however, seems intentional.

"We want to be unclear for our own purpose and so do the Chinese," said Foreign Minister Choe Ho-chung during a weekly press briefing yesterday.

Rejecting as untrue a local press report that China had made explicit its intention to veto South Korea's admission, Choe said the Korean government is exerting various efforts to induce change in the Chinese attitude. Korean officials, actually, keep consulting on the issue with allies including the United States. They had the latest consultations with allies in New York Nov. 13.

"Answering the question whether Seoul will apply for U.N. membership this year or not needs a more careful examination of the Chinese stance," the minister said. But the possibility that Beijing would brave deterioration of its ties with Pyongyang in order to support Seoul does not seem high at the moment.

A Western diplomat in Seoul says ambiguity is a typical Chinese style. They are unclear on most issues. But in the case of the two Koreas' U.N. entry, China apparently seems reluctant to get involved in disputes between the two Koreas. It is hard, therefore to expect China to make a choice between the two Koreas in the foreseeable future, he says. But when it is forced to do so, China will more likely keep its old position in support of North Korea than choose a change for Seoul, the diplomat says.

It is also unlikely that the two Koreas will settle the issue by themselves. Officials of South and North Korea met three times this fall to discuss their U.N. membership but failed to narrow their different positions. The fact that they sat at a table itself may prove the Chinese and South Korean strategy of being ambiguous has worked to some extent. North Koreans, still with a vivid memory of the shocking development in Seoul-Moscow relations, could not but feel uneasy about the Chinese, some observers say.

North Korea made the issue of U.N. membership one of the "three most urgent tasks" to be tackled between the two Koreas during the first round of South-North prime ministers' talks in September and is still threatening to boycott the talks if the South pushes for its membership only. Their anxiety is also evidence of their lack of confidence in the Chinese, observers say.

It may be hard, however, to expect the two Koreas to meet again to talk about U.N. membership. The talks

seemed, from the first, a mere formality the two Koreas chose to go through for their own goals.

The southern side, with much confidence in its relative advantage over the North, might have wanted to show to the world that it had done what it could to persuade the North. It might also have attempted to induce the North's concessions on inter-Korean matters including the reunion of dispersed family members and promotion of economic exchanges, making use of the North's anxiety.

The northern side also seemingly attempted to delay Seoul's efforts to obtain U.N. membership through the talks.

But three past meetings failed to change anything.

Seoul still openly says that it would apply for entry into the United Nations regardless of Pyongyang's stance whenever a chance is given. It even separates its U.N. membership from Pyongyang, saying that the South's U.N. membership is not an inter-Korean issue but a matter to be solved between Seoul and the United Nations.

"What matters now is not the North Korean stance but that of the Chinese," Foreign Minister Choe has said.

Pyongyang also reiterates its charge against Seoul—the southern government's attempt to perpetuate the national division by calling for separate memberships for the two Koreas.

Kuwaiti Minister Appreciates Seoul's Support

*SK1911012190 Seoul YONHAP in English 0053 GMT
19 Nov 90*

[Text] Seoul, Nov. 19 (YONHAP)—Kuwaiti Housing Minister Yahyan al-Sumeit met with Foreign Minister Choe Ho-chung Monday and expressed Kuwait's appreciation for Seoul's support since the Aug. 2 Iraqi invasion.

Al-Sumeit also handed Choe a personal letter from his exiled ruler, Amir Sheikh Jabir al-Ahmad al-Jabir al-Sabah, hoping for stronger links between the two nations.

The Kuwaiti envoy flew into Seoul on a four-day official visit Sunday as the sheikh's envoy. He leaves Korea on Wednesday.

Iran Proposes Sports, Economic Exchanges

*SK1711080490 Seoul YONHAP in English 0711 GMT
17 Nov 90*

[Text] Seoul, Nov. 17 (OANA-YONHAP)—Iranian Ambassador Fereydun Entezari has asked the South Korean Government for help in making Taekwondo, a Korean martial art, the national sport of Iran. Entezari said he made the proposal to Sports Minister Chong Tong-song on Friday as it was his personal opinion that Taekwondo is very popular in Iran.

"Wrestling is Iran's national sport, and Taekwondo along with football is also gaining much popularity in Iran, and I hope Taekwondo will become the second national sport so that more Iranians have a chance to learn it," Entezari said. As the first step, Entezari said he proposed that Korea send a large Taekwondo delegation to Tehran for a sports festival next year. The festival, held annually since 1979 to commemorate the Iranian revolution, will be a kind of international sports gala in February next year to boost Iranian sports, stimulated by Iran's football medal in the Beijing Asian games, he said.

Taekwondo, which uses hands and legs instead of weapons in defending and attacking, was an official event in the 1986 Seoul Asiad and a demonstration event in the 1988 Seoul Olympics but was not part of the Beijing Asian Games this year. In return for Korea's support, Iran will provide accommodation for the Korean athletes and try to expand economic exchanges with Korea, currently about 1 billion U.S. dollars a year, he said.

He said he asked Chong to transfer to Iran the know-how to train athletes and organize a big sports festival like the Olympics as he wants to use the Asian sports powerhouse as a textbook for sport in Iran. An Iranian sports delegation will be sent to Korea early next year to study Korean sports policies, he said, adding that he proposed regular sports exchanges in wrestling and football.

Yi Su-hwan To Head Consulate General in Hamburg

SK2011033790 Seoul YONHAP in English 0254 GMT 20 Nov 90

[Text] Seoul, Nov. 20 (YONHAP)—Yi Su-hwan, consul in Naha, Okinawa, was named to head the consulate general in Hamburg, Germany, Tuesday.

Yi, 51, replaces Choe Chun-ho as the Korean mission chief in the German port. Choe was reassigned to serve at the Foreign Ministry.

Paek Sun-kun was appointed consul of Naha in succession to Yi.

First Visit of Singaporean Foreign Minister

SK1911033790 Seoul YONHAP in English 0222 GMT 19 Nov 90

[Text] Seoul, Nov. 19 (YONHAP)—Singaporean Foreign Minister Wong Kan Seng will make an official visit to South Korea Thursday through Saturday at the invitation of Foreign Minister Choe Ho-chung.

Wong and Choe are to discuss ways to increase bilateral political, economic, cultural and other links, including the third annual Asia-Pacific economic cooperation meeting slated for next October in Seoul.

Wong will be the first Singaporean foreign minister to visit Korea since the two countries established diplomatic relations in August 1975.

Deputy Premier on Combating Projected Stagflation

SK2111055790 Seoul YONHAP in English 0534 GMT 21 Nov 90

[Text] Seoul, Nov. 21 (YONHAP)—Deputy Prime Minister Yi Sung-yun said Wednesday that to combat the onset of stagflation next year the government would strengthen the competitive powers of South Korea's manufacturing industries.

"The nation's economy is feared to face stagflation—high prices amid depression—in 1991 due to rising oil and consumer prices, and the government will focus on hiking international competitiveness of businesses in the wake of East-West reconciliation and Uruguay Round talks," Yi said.

Yi, who is also economic planning minister, said other priorities in the government's economic policy next year would be to do stabilize consumer prices, provide economic security for low-income city dwellers, and develop rural and coastal areas.

Yi, attending "a grand debate on economic policy" organized by MAEIL KYONGJE, an economic newspaper, said the government would particularly push ahead with its year-old policy to sharpen the competitive edge of manufacturers for two to three years more.

In order to reduce the increasing cost of transportation, the government will expand investment in infrastructure, and it will beef up its efforts to train technicians to alleviate the severe shortage of labor in the manufacturing sector, he said.

Touching on financial policy he said, "next year, there will be no indiscriminate retrenchment in money supply, for recent financial policy, which has been too conscious of the amount of general supply, did not function well in the realignment of the industrial structure."

In connection with the Uruguay Round negotiations, he said the government would take steps to be heard in such controversial sectors as agriculture, finance, construction and services.

1990 Exports, Sales Increase; Profits Decrease

SK1711055990 Seoul YONHAP in English 0427 GMT 17 Nov 90

[Text] Seoul, Nov. 17 (YONHAP)—South Korea's manufacturing companies saw substantial growth in turnover in the first half of the year but profitability and financial structure deteriorated sharply, the Bank of Korea reported Saturday.

Total turnover in the first six months was 64.204 trillion won (89.17 billion U.S. dollars), up 15.5 percent from the same half last year because of smooth industrial relations and strong domestic demand, the central bank said.

The report, based on a survey of 1,300 companies across the nation, said exports grew 2.4 percent to 19.905 trillion won from 19.447 trillion won in the first half of last year and domestic sales surged 22.7 percent from 35.971 trillion won to 44.119 trillion won. Exports dropped from 35.1 percent of turnover to 31.1 percent.

The number of labor conflicts was 22.6 percent lower than in the same period last year while production losses arising from labor strife fell to 1.364 trillion won from 3.314 trillion won.

On the down side, the profitability of manufacturing companies deteriorated due to higher interest rates, foreign exchange losses and a sagging stock market. The burden of financial expenses rose from 5.2 percent in 1989 to 5.3 percent this year, the bank said. The financial status of manufacturing firms worsened in the first half because of the prolonged slump in the Korean stock market, which encouraged them to delay issuing stocks. The ratio of net worth to total capital fell from 28.2 percent at the end of last year to 26.9 percent.

Oil Prices Expected To Rise 20-25 Percent

SK1811015590 Seoul THE KOREA TIMES in English
18 Nov 90 p 1

[Text] Domestic oil prices are expected to rise 20-25 percent around the end of this month as a result of high crude prices on international markets.

Sources at the Economic Planning Board said yesterday that the government is considering oil price hikes along with raising selected public service charges including piped water and rail freight rates as inflationary pressure has been softened this month.

But the final hike margins will be kept to a range which will not cause overall consumer prices to run beyond 10 percent for the whole of this year, the sources said.

Consumer price rise is forecast at 9.2 percent as of this month as farm prices have been stabilized. However, crude oil prices are steadily rising since the Aug. 2 Iraqi invasion of Kuwait, nearing the level of \$32 a barrel. Deputy Premier-Economic Planning Minister Yi Sung-yun said last month that higher domestic oil prices are inevitable if import prices surpass the \$25 mark a barrel on average. The average import prices for the recent three months have been posted at \$25.68—\$19.91 in September, \$25.48 in October and \$31.66 this month.

The sources said the government is seriously considering raising prices in two steps instead of a one time rise. If average crude prices stay at \$25 a barrel, domestic oil prices should be raised 32.2 percent but the actual increase will be 20-25 percent to reduce shock and negative impacts, the sources said.

Tap water and rail freight charges will also be raised in order to cushion the deficit as they have little affect on consumer prices, officials said. But the hike of subway

and city bus fares will be delayed till next year for fear of a renewed pressure on the inflation rate.

To help offset the oil price hike, the government may reduce the selling prices of state-held Tongil rice, the sources added. The state-run Korea Development Institute (KDI) last month called on the government to increase oil prices and public service charges gradually to prevent adverse effects such as a growing consumption of oil and poor service quality.

Minister on Possible Price Hikes

SK2011103190 Seoul YONHAP in English 0900 GMT
20 Nov 90

[Text] Seoul, Dec. 20 (YONHAP)—Energy and Resources Minister Yi Hui-il said Tuesday that the government is moving toward a hike in oil prices and he thought it better to fix the increase before the end of the month.

Yi told reporters there would be consultations on the matter within the government, which has said it would introduce the raise if the cost of imported crude oil from September to December topped an average 25 U.S. dollars a barrel.

Taking into consideration factors such as inflation, curbs on conspicuous consumption and industrial adjustment, Yi said, the most important goal was to keep inflation in the single digits.

The government would seriously consider a 20-25 percent oil price hike this year and again next year, setting the stage for an approximately 35-percent increase.

Government To Pay Farmers More for Rice

SK1911052790 Seoul YONHAP in English 0508 GMT
19 Nov 90

[Text] Seoul, Nov. 19 (YONHAP)—The government will buy 1.44 million tons of rice from farmers this year, paying 5 percent more for tongil rice than last year and 10 percent for normal rice, Deputy Prime Minister Yi Song-yun reported to President No Tae-u Monday.

The government and its party agreed over the weekend to set the government-purchase quotas at 792,000 tons for normal rice and 648,000 tons for tongil rice.

Organized farmer protests persuaded the government to drop a plan to cut the quota to 864,000 tons from 1.73 million tons last year and keep price rises to between 2 percent and 7 percent, a government source said.

The government had sought to keep down quota and price hikes lest they stimulate inflation and wages, jeopardizing government control of a rising surplus of rice.

If No endorses the purchase plan, the government will pay 106,390 won (148.8 U.S. dollars) per 80 kilograms for normal rice and 99,770 won (139.5 dollars) for tongil variety.

Security Agency Arrests Subversive Group Members*SK2111063090 Seoul YONHAP in English 0554 GMT
21 Nov 90*

[Text] Seoul, Nov. 21 (YONHAP)—The Agency for National Security Planning have arrested 15 members of a subversive group called "the Advanced People's Organization" on subversion charges. The Agency said Wednesday an investigation into the group was begun after the capture of Song Kap-sok, 23, chairman of Chondaehyop (the National Alliance of Student Representatives), Oct. 24.

Among the 15 are Choe Won-kuk, 25, a graduate of Hankuk University of Foreign Studies, and Kim Chae-ung, 22, chairman of the student council of Hanyang University and a Chondaehyop spokesman. Choe and Hong Min-su (not his real name), a graduate of Seoul National University, organized the group in April 1988 under the platform of the National Democratic Front, successor group to the pro-Pyongyang Unification Revolution Party, the agency said. Choe told executive members of Chondaehyop and Song in October 1989 to seek inter-Korean students' talks through the Libyan Embassy and instructed them to sign an arms reduction agreement at the meeting, according to the Agency.

Police Charge 8 Labor Activists With Subversion*SK2111080190 Seoul YONHAP in English 0544 GMT
21 Nov 90*

[Text] Seoul, Nov. 21 (YONHAP)—Police arrested a Seoul National University (SNU) dropout and seven other members of "the Alliance of Workers for the Struggle for People's Democracy" on subversion charges Wednesday. National Police Headquarters (NPH) said Kim Chin-chol, 31, and his cohorts had tried to indoctrinate workers, create labor disputes and seize public buildings since forming the group in April.

The eight, all college graduates or dropouts, were charged under the National Security Law. Police booked Choe Yong-chin, 23, a senior at SNU, and Shin Kyong-hui, 29, a graduate of Sungmyong Women's University, without physical detention on similar charges.

The charge sheets say they wrote and distributed pamphlets and booklets "benefitting the enemy in order to overthrow the government through an armed uprising and to build a communist country." Police suspect that they were behind street demonstrations and attacks on public buildings, including one in Pongchon Street in Seoul in October to "smash the Uruguay Round negotiations and secure the people's right to survive." They may also have masterminded the seizure of the office of National Tax Administration Building in May and distributed about 60 pamphlets "benefitting the enemy," according to the police.

Police said the group claims to have 170 members in factories and colleges in Seoul and other major cities

across the country. Police confiscated two personal computer systems, 22 floppy disks and some 1,000 pages of printed matter as evidence.

Crime Rate Declines Under No's 'War on Crime'*SK2111075590 Seoul YONHAP in English 0646 GMT
21 Nov 90*

[Text] Seoul, Nov. 21 (YONHAP)—The crime rate has declined 13.7 percent, the arrest rate is over 100 percent and the number of traffic offenses has soared since President No Tae-u declared war on crime last month, the Home Ministry reported Wednesday.

According to data given to the National Assembly, 27,613 crimes were reported nationwide between Oct. 13 and Nov. 11, down from 31,980 in the same period last year.

Police solved 108 percent of the reported crimes [as received], up from 93 percent from a year ago, meaning they also solved unreported crimes, the Ministry said. It did not give a breakdown for the two categories.

It showed a steep increase in traffic offenses, listing 50,864 case of drunken driving (up 223 percent), 40,720 of dangerous driving (up 106 percent) and 67,771 of center line violation.

Labor Minister Plans Crackdown on Illegal Strikes*SK1711031690 Seoul YONHAP in English 0053 GMT
17 Nov 90*

[Text] Seoul, Nov. 17 (YONHAP)—Participants in illegal strikes will be dealt with immediately and severely from January, Labor Minister Choe Yong-chol said Friday. Choe, speaking to senior managers, said he would also seek more stringent criminal punishment for illegal union activities.

The ministry will ask the National Assembly to change the labor law if that is necessary to control labor activities, Choe said.

Union-management relations are showing signs of stability owing to a growing public consensus on restoring the country's economic strength and the outlook, in general, is bright for next year, he said. Warning that companies flouting guidelines on pay raises would be penalized, Choe told the meeting that although the outward pay increase rate is averaging 9 percent so far this year, the actual rate is higher due to backroom deals.

Teachers' Rally Results in Clash With Police*SK2011035090 Seoul THE KOREA TIMES in English
20 Nov 90 p 3*

[Text] The National Teachers Union or Chonkyojo held a surprise rally at an outdoor theater in Hanyang University in defiance of a police ban, Sunday with an estimated 7,000 supporters participating.

It was the largest rally hosted by the outlawed teachers' union in recent months which has gained a following among progressive faculty members and teachers college students in their demand for education reform and labor union rights. The Sunday event was originally scheduled to take place at Chungang University, but police sealed off the campus to block the gathering.

Rally organizers declared in a statement that they would fight for the legalization of the teachers' union and drastic educational reforms. They denounced the Education Ministry for introducing an aptitude test for those seeking to become teachers, as a "legal tool" drawn to

prevent reform-seeking students from becoming teachers at primary and secondary schools.

"We oppose the teacher enrollment test which will be used as a pre-emptive tool to screen out those who have other views in opposition to what the government holds," they said in the statement. Teachers college students attending the rally also pledged to push ahead with their reform drive and anti-government campaigns, by refusing to take the test that is to be given starting early next year.

The rally which lasted two hours ended in violent clashes with riot police that stormed the campus in an attempt to break up the protest.

Brunei, Malaysia & Singapore**Malaysia****Minister Discusses Security for Pilgrims in Gulf***BK2111072290 Kuala Lumpur International Service
in English 0600 GMT 21 Nov 90*

[Text] Arrangements have been made by the Malaysian and Saudi Arabian Governments to ensure the safety of Malaysian pilgrims in the event war breaks out in the Gulf while they are performing the haj. This was disclosed by minister in the Prime Minister's Department Datuk Abang Abu Bakar bin Mustapha.

He told newsmen in Kuala Lumpur that a special machinery would be established to handle the matter. Tabung Haji [Pilgrims Management and Fund Board] and the Malaysian embassy, with the help of the Saudi authority will provide food and lodging to the pilgrims if war breaks out. The pilgrims would be ferried to the outskirts of Mecca and then to Jeddah for the [words indistinct].

Petronas Selects Three Companies for Project*BK1711083590 Kuala Lumpur BERNAMA in English
0332 GMT 17 Nov 90*

[Text] Kuala Lumpur, Nov 17 (BERNAMA)—Petronas, the Malaysian Petroleum Corporation, has selected three well-diversified international partners from the United States, South Korea and Taiwan for its M\$3.3 billion (about U.S\$1.2 billion) Malacca refinery sour crude train project (PSR-2).

The letter of intent between the four partners—Petronas, Caltex Trading and Transport Corporation (CTTC), Samsung Co. Ltd. and Taiwan's state-owned Chinese Petroleum Corporation (CPC)—was signed here Friday. CCTC is a wholly-owned subsidiary of U.S.-based Caltex Petroleum Corporation while Samsung Co. Ltd. is a trading arm of South Korean conglomerate Samsung group.

Petronas, via its wholly owned subsidiary Petronas Penapisan (M) Sdn. Bhd. [Company Limited] will hold a 45 per cent stake in the PSR-2 project while CTTC will have 25 per cent. The remaining 30 percent equity will be equally divided between Samsung and CPC.

Petronas President Azizan Zainal Abidin signed on behalf of the Petronas subsidiary, Caltex was represented by Caltex Oil Malaysia Chairman and Managing Director R.K. Abrahms, Samsung by its Executive Vice-President K.S. Yoon and CPC by its President Y.S. Kuan.

The PSR-2 project which will refine only imported heavy crude is part of the integrated refinery complex in Malacca, about 160 km from here.

The first train, for the processing of indigenous sweet crude petroleum is wholly owned by Petronas. While the sweet crude train has a refining capacity of 100,000 barrels per day (bpd), the sour crude train can refine between 100,000 to 130,000 bpd of petroleum.

Expected to come on-stream in mid-1995, the refined products include liquefied petroleum gas (lpg), petrochemicals, naphta, [word indistinct] of fuel, diesel and fuel oil.

Azizan said the sour crude train is also capable of producing asphalt and lube base products. The two trains will share common facilities which include marine facilities, tankage, utilities and off-sites. The sour crude will mainly be imported from Iran, Iraq, Saudi Arabia, and the Middle East oil producing countries.

Talks on PRC Steel Project May Take More Time*BK1911042490 Kuala Lumpur BERNAMA in English
0335 GMT 19 Nov 90*

[Text] Kuala Lumpur, Nov 19 (OANA-BERNAMA)—Indications are that discussions on the China Steel project, the largest steel investment in Malaysia, may take longer than anticipated.

China Steel is still negotiating with the Malaysian Government mainly on the location of the proposed M\$13 billion (about U.S.\$4.8 billion) steel mill, an analyst said Monday. He believed that discussions were likely to go on for another year or two before a decision was taken and implemented.

The location problem stems from China Steel's interest to be sited in southern Johor state, but the Malaysian Government wants it in the east-coast Terengganu state. It had chosen Johor for several reasons: It was possible to build a deep water port, the state was able to provide a large piece of frontwater land for the project and future development of Johor's biggest industrial estate in Tanjung Langsat.

A news report in May said that China Steel had approached the Johor Government on the building of a port catering exclusively to the needs of the mill. However, a subsequent magazine report said the Malaysian Government wanted China Steel to share the port of Chukai state-owned Perwaja Steel. The report added that this would be cheaper than building a new port, as China Steel desired.

Israel Urged To Withdraw From Palestine*BK1811080590 Kuala Lumpur International Service
in English 0600 GMT 18 Nov 90*

[Text] Malaysia has once again appealed to the United Nations Security Council to demand a Tel Aviv withdrawal from the occupied Palestinian territories. Special UN Envoy Datuk Musa Hitam says it is imperative that the council act to ensure the safety of Palestinians in the occupied territories.

He was speaking at the Security Council session on the situation in the occupied territories. Datuk Musa said Malaysia will actively support the convening of a conference of contracting parties of the Fourth Geneva (?Convention) to address the problem. Malaysia, like a vast majority of the UN members, believed that the ending of Tel Aviv's occupation could be realized through an international UN conference.

Minister on Election to UN Economic Council

*BK2111090590 Kuala Lumpur International Service
in English 0800 GMT 21 Nov 90*

[Text] The foreign minister has said that Malaysia's election to the United Nations Economic and Social Council is in recognition of the country's performance and contributions in the UN Security Council. Datuk Abu Hassan Omar said it also denotes a vote of confidence for Malaysia's chairmanship and its role as a spokesman on economic and social matters for Third World countries.

Malaysia was elected to the 54-member council last Friday together with Japan. Malaysia's three-year term begins in January. The economic and social council coordinates programs and activities of the United Nations' system.

Datuk Abu Hassan made this comment in Kuala Lumpur after United States Congressman Stephen Solarz called on him. The new Japanese ambassador to Malaysia, Hiroshi Fukuda, also made a courtesy call on Datuk Abu Hassan.

Abu Hassan Meets Mauritian, Namibian Ministers

*BK1711082190 Kuala Lumpur BERNAMA in English
0317 GMT 17 Nov 90*

[Text] Kuala Lumpur, Nov 1 (OANA/BERNAMA)—Malaysia has agreed to supply 10,000 to 12,000 metric tonnes of cooking gas annually to Mauritius, Foreign Minister Abu Hassan Omar has said here. Malaysia was also studying the possibility of selling other petroleum products to that country, he added.

Speaking to reporters after meeting Mauritius' Agriculture, Fisheries and Natural Resources Minister Murlidas Dalloo Friday, Abu Hassan said Mauritius was also interested to buy Malaysian kerosene, gas and fuel oil. He explained that Malaysia's production was only sufficient for local consumption. "However, I told him that Petronas [National Petroleum Corporation] will try to increase production of those items so that we can supply Mauritius," he added.

Abu Hassan said Mauritius had invited local housing contractors to undertake low-cost housing projects which were in demand in that country.

Noting that investment opportunities in that country were increasing, he suggested that local banks form a consortium to take advantage of the business opportunities.

Mauritius had also shown interest in importing palm oil after studies by its experts showed the positive values of palm oil. He said there was a proposal to set up a palm processing plant in Mauritius to meet consumption needs there and in other east African countries.

Earlier, the Namibian Foreign Minister, Theo Ben Guribab, called on Abu Hassan. Abu Hassan said Malaysia had provided Namibia with a development aid of more than U.S.\$100,000. It was handed over by Malaysia's Permanent Representative to the United Nations, Razali Ismail, in New York last week.

He added that Malaysia also planned to help in the reconstruction of Namibia which gained independence last March. A Malaysian team would assist Namibia next month to ascertain its needs.

Guribab told reporters Namibia was grateful to Malaysia for its support for that country's struggle for freedom. He described Malaysia as one of the few countries who "threw their weight" to gain international support for Namibia's independence.

Guribab, who was here on a two-day visit, is the first Namibian minister to visit Malaysia since the country. [sentence as received]

Trade Cooperation Accord Signed With Mali

*BK1711084290 Kuala Lumpur BERNAMA in English
0324 GMT 17 Nov 90*

[Text] Kuala Lumpur, Nov 17 (OANA/BERNAMA)—Malaysia and Mali have signed a trade agreement, paving the way for greater cooperation between the two countries. Foreign Minister Abu Hassan Friday signed the agreement on behalf of the Malaysian Government while his counterpart from Mali, Dr. Ngolo Traore, represented his country.

Abu Hassan said that Malaysia gave high priority to developing and strengthening trade with its nontraditional trading partners particularly developing countries in Africa and Latin America. He said with the signing of the agreement, both countries would be able to exchange information on products that could be exported or imported by the two countries.

Dr. Traore called on the Malaysian private sector to venture into the mining industry in Mali which is rich in gold, iron and bauxite. He said that his country hoped to be able to embark on joint-venture projects in the textile industry for export to the European countries. He said that Mali planned to set up its representative office here in the near future.

Military Exercise With Indonesia Ends 20 Nov

*BK2011135290 Kuala Lumpur RTM Television
Network 1 in Malay 1200 GMT 20 Nov 90*

[Text] The joint military exercise between Malaysian and Indonesian Armed Forces, codenamed "Kekar Malindo", proceeded smoothly at the Felda [Federal Land

Development Authority] Hill 174, Kerantung Sembilan, Pahang. The joint exercise, which started on 16 November, had provided useful experience for the participants and improved their tactical warfare. It also forged close relations between the two countries' Armed Forces.

Lieutenant General Sahala, deputy army chief of the Indonesian Army, closed the joint exercise this morning. Also present during the ceremony was Malaysian Deputy Army Chief Datuk Othman Harun.

Mahathir, Ghafar Baba Retain Executive Posts

*BK1811160290 Kuala Lumpur Domestic Service
in Malay 1430 GMT 18 Nov 90*

[Text] Datuk Sri Dr. Mahathir has been unanimously returned as UMNO [United Malays National Organization] president. The party divisions simultaneously concluded their delegates meeting today. The divisions nominated only the prime minister as party president. The prime minister was unofficially returned unopposed as there were no other candidates nominated for the position. Mr. Ghafar Baba, who was also returned unopposed also retained his position as UMNO vice president.

All the divisions with the exception of Kubang Pasu, Jasin, the Federal Territory, and Pasir Mas, nominated the prime minister and Mr. Ghafar as candidates for party president and vice president respectively.

The Kubang Pasu division is headed by Datuk Sri Dr. Mahathir himself, while the Jasin division is headed by Mr. Ghafar. He is also the patron and the public relations chief of the Federal Territory divisions. The Pasir Mas division was unable to hold a meeting because it is currently a coordinating committee.

Cambodia

Son Sann Accused of Misinterpreting Document

*BK2111055990 Phnom Penh SPK in English
0428 GMT 21 Nov 90*

[Text] Phnom Penh SPK November 21—"With his ill-intentioned approach, His Excellency [H.E.] Son Sann, an ally of the Khmer Rouge, has flagrantly misinterpreted the joint communique signed among the Khmer opposing groups in Jakarta and the big five countries' blueprint for Cambodia," said Prime Minister Hun Sen, criticizing Mr. Son Sann's approach on the leadership of the Supreme National Council during his recent interview with the VOA.

He made the criticism at the mass gatherings on Saturday and Sunday in Roka Commune of Kroch Chhma District and in Peam Kaoh Sna Commune of Stoeng Trang District, both in the province of Kompong Cham, after attending a ceremony to plant "Pothipruet" (a kind of sacred fig-tree of India or pipal tree) in the provincial town.

During the ceremonies to inaugurate new school buildings in those two localities, Prime Minister Hun Sen attributed the achievements to the valuable contributions of the local inhabitants and praised their unity in defending and building their localities, including the construction of four junior-high school buildings at a total cost of more than 14 million riels (Cambodian currency).

Prime Minister Hun Sen also denounced the enemy's perfidious moves and adventurous military attempts to oust the Cambodian government following the complete withdrawal of the Vietnamese army volunteers in September last year.

On Mr. Son Sann's approach to the leadership of the SNC, Prime Minister Hun Sen said: "The Phnom Penh government stands for peace and wants an early end to the war. We are resolved to defend the life and rights of the Cambodian people.

"I would like to convey my message to Mr. Son Sann that Phnom Penh can never accept such an approach, which is an ill-intentioned trick, an abuse of international practices and a misinterpretation of the document signed in Jakarta and the P-5 (UN Security Council permanent five members) peace plan."

Prime Minister Hun Sen asked Mr. Son Sann to re-study the texts of the documents, which, he said, did not in any way imply the selection of Prince Sihanouk as chairman. He recalled the documents as saying that if the prince were chosen as chairman, the big-five would welcome him and that if the SNC 12 members can select a chairman among themselves, and so, the chairman is not necessarily Sihanouk.

The Cambodian leader further said that if the opposition side keeps misinterpreting the spirit of the documents, the Phnom Penh side is not obliged to accept their wrong approach. He also said that if Phnom Penh refused to modify the documents, it would mean the prince would have to stay away from the SNC scene forever.

"With its jurisdiction and common sense, the Phnom Penh government would move to show what is legal and just and goodwill, and that we cannot accept any outside imposition," he said.

Hun Sen went on: "They said Hun Sen wants power and a post as vice chairman of the SNC, but I would like to say that we adhere to the principle of equality, and that according to this principle, the SNC must have two co-chairmen, or two co-chairmen by rotation or chairmen by rotation. I should not accept the post of vice chairman, but because I want to make a compromise by accepting Prince Sihanouk as chairman, so I must act as vice chairman. This is a gesture of goodwill from the Phnom Penh administration towards the prince, a way to show that the administration here respects him as an elderly personality."

Hun Sen said that if they keep accusing the administration in Phnom Penh of having a power ambition, we want to say that this was even better than the one who tries to usurp power.

"But why is it necessary for us to hold power, because we think that we want to hold it in order to prevent the recurrence of the genocidal Pol Pot regime," stressed Prime Minister Hun Sen.

Prime Minister Hun Sen pointed out that Mr. Son Sann wants to come to power together with the Polpotist Khmer Rouge, and that the Phnom Penh administration did not hesitate to pass power to the other side through free general elections. He said that this would be decided by the balloting.

Prime Minister Hun Sen went on "I would like to propose three alternatives to His Excellency Son Sann: first, the SNC should start working soon without waiting for the presence of Prince Sihanouk, because the prince is not the key issue but the SNC itself. As for the selection of a chairman, we should base ourselves on the principle of choosing co-chairmen, or co-chairmen by rotation, or chairmen by rotation; second, the SNC should be dissolved if they consider Prince Sihanouk as the key issue; and third, a selection with concessions from the State of Cambodia's side."

Prime Minister Hun Sen stressed: "We would like to make clear to H.E. Son Sann and H.E. Khieu Samphan that the Cambodian government and the six members from Phnom Penh to the SNC do not propose Prince Sihanouk as chairman of the SNC."

More Enemy Deserters Reported in Kompong Thom

*BK2111061590 Phnom Penh SPK in English
0443 GMT 21 Nov 90*

[Text] Phnom Penh SPK November 21—Last month, 119 men of the three Khmer opposition factions deserted their ranks and reported themselves to the authorities in Kompong Thom Province (150 km north of Phnom Penh).

The deserters, including 77 ex-Polpotists, 38 ex-Sonsannians and four ex-Sihanoukists, came with 49 rifles and a quantity of other war means.

The biggest number of deserters was listed in Stoung District with 88 such people and 30 assorted guns.

Meanwhile, the local population found a quantity of war material hidden by the enemy, including three rocket launchers, seven firearms, 100 mines and 2,900 packages of TNT.

Radio Reports 4-10 Nov Military Activities

*BK1611050390 Phnom Penh Domestic Service
in Cambodian 1300 GMT 15 Nov 90*

[Text] Between 4 and 10 November, the three reactionary Cambodian groups still attempted to savagely

carry out provocative and aggressive activities against us. They used all kinds of artillery pieces to fire on a number of sectors in the northwestern part of the motherland's border in Battambang, Siem Reap-Oddar Meanchey, and Banteay Meanchey Provinces.

On 2 [as heard] November, the enemies fired 140 artillery shells on the Kouk Mon area. On 6 November, the enemies fired 180 artillery shells on the Samraong and Ampil sectors.

During the same period, our armed forces in all areas paid attention to counterattacking the enemies, forcing them to face difficulties and dealing them successive setbacks. This week, our armed forces launched 13 counterattacks against the enemies, putting 137 enemy soldiers out of action, including 127 killed on the battlefields and 22 taken prisoners; 38 others surrendered. We seized 58 assorted weapons, 75 grenades and mines, 895 rounds of assorted ammunition, five field radios, and a quantity of other war materiel.

Hun Sen Speaks at Video Film Festival Closing

*BK2111102990 Phnom Penh Domestic Service
in Cambodian 1300 GMT 20 Nov 90*

[Speech by Hun Sen, chairman of the Council of Ministers, at the ceremony to close the first festival of Cambodian video film in Phnom Penh on 17 November—recorded]

[Summary from poor reception] I am very pleased to take part in this first video film festival. On behalf of the party and government and in my own name, I congratulate the success of this festival that lasted for over two weeks.

Through the festival, what has disappeared for a long time has reappeared. Apart from successes in other fields, the people want to know the level of our culture through our art. Social progress should be reflected in culture and art. I am ashamed of letting Cambodian children watch foreign films for the past 10 years despite our sufficient capability to produce films. The struggle in the military, diplomatic, and political fields should go hand in hand with the ideological struggle, which is difficult and complex. We should realize the difference between the military and cultural and ideological battlefields. "On the military battlefield, both sides suffer losses in a battle; on the art and cultural field, if we are careless, the danger could be upon our entire people and, first of all, on our youths, who are our main pillar. A defeat on the art and cultural sector will deprive us of national soul and character."

I am amazed by the improvisational spirit despite the lack of material, the great number of writers, the multitude of pretty actors and actresses, and the solidarity of everyone in the business. Shortcomings are inevitable in this early stage due to lack of training facilities for people involved in this art. "Should we use national art and

culture to serve private economy or use the latter to serve the former?" Everything is interrelated.

Art and culture are like a double-edge weapon. According to our investigation, some Cambodian companies have included indecent scenes in their films and exported them. What will happen to our country and actors? What would peoples and Cambodians abroad think of us? Why do we make films and what for? We know that art and culture are part of society and their purpose is to expand the human factor and use this for economic and social development. "Our purpose is to safeguard our national soul in combination with the policy to prevent the return of the genocidal regime and to build a society free from oppression."

Many of our films reflect only what goes on in Phnom Penh while the development and life of peasants in the countryside have been left out. The ending of a story is also important. If we end a story with fighting, children will learn from this. If possible, I propose that, if it is not necessary, we should avoid ending the story with fighting and killing scenes. Some of our writers and actors are out of touch with reality.

Concerning the request to set up a union and clubs of producers and artists, I think this is an important idea and a movement to unite producers, writers, directors, and artists to further develop our art. This is not against the constitution; "therefore, on behalf of the government, I fully agree on the request and propose that all the comrades work together and carry it out well as required by the party and state."

Citizens Urged To Flee Kompong Thom Town

BK2111041090 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 20 Nov 90

["For the information of people in Kompong Thom Town"]

[Text] Compatriots in Kompong Thom town: Our Voice of the National Army of Democratic Kampuchea radio would like to inform compatriots and people in Kompong Thom town that our national resistance forces have cooperated with our people's great united forces in every village and district under the administration of the village and commune national councils in Kompong Thom Province, and will soon attack and smash the Vietnamese enemy aggressors and Vietnam's puppets and traitors of the nation.

Therefore, in order to escape the battlefield and to prevent the Vietnamese enemy aggressors and Vietnam's puppets and traitors from rounding up and forcing your children to oppose the national resistance forces and die on the Vietnamese behalf, please:

1. Flee Kompong Thom town to your homes or villages;
2. Call back your children who have been rounded up and forced to be soldiers, militiamen, or administrative

staff of the Vietnamese enemy aggressors and Vietnam's puppets and traitors to the nation in and outside Kompong Thom town.

This way, you could avoid the danger of being caught committing the crimes of the Vietnamese enemy aggressors and Vietnam's puppets and traitors. You could also find paddy and rice to feed your families according to your needs in the immediate future and also gradually find land to grow crops.

VOK Rules Out Phnom Penh Claim in Memorandum

BK2011110590 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 20 Nov 90

[Political commentary: "Clarification About the Heng Samrin Regime"]

[Text] Vietnam and the Heng Samrin regime recently issued a memorandum saying that the Heng Samrin regime should not be dissolved when the United Nations performs its role in Cambodia during the transitional period. The statement by the Vietnamese and Mr. Hun Sen's group was made at the time when the co-chairmen of the Paris International Conference on Cambodia were holding a working meeting within the framework of the international conference in Jakarta in order to prepare details for a comprehensive political settlement. As such, the Vietnamese and the Hun Sen group, with the statement, want to insist that a regime, the Heng Samrin regime, should exist in Cambodia in spite of the implementation of a settlement of the Cambodian problem.

Although we have not yet clearly determined the purpose of the statement, we wish to make the following remarks:

1. The communist Heng Samrin regime was created according to arrangements prepared by the Vietnamese. As such, the regime does not exist legally for Cambodia.
2. As the communist Heng Samrin regime does not legally exist, the peace plan for Cambodia hammered out by the Big Five permanent members of the UN Security Council [UNSC] has neither mentioned its existence nor its dissolution.
3. The Big Five's peace plan has only recognized the Heng Samrin as a Cambodian party, but not as a regime.

That being the case, we can see that the Vietnamese and the Hun Sen group's statement that the communist Heng Samrin regime should not be disbanded is worthless because the regime is in fact not authentic. So there is no need to legally declare the regime dissolved.

When the Big Five's peace plan is implemented, the Cambodian people will, via free elections, elect a regime which legally represents Cambodia. Only a regime chosen by the people can be the genuine one for Cambodia. Therefore, prior to the elections, no regime can claim that it is the one which has ruled over the country.

Our remarks are only a clarification, as we feel that the statement by the Vietnamese and the Heng Samrin regime can create doubt or confusion in national and international circles.

Statement Regarding Hanoi Memorandum Broadcast

*BK2011081190 (Clandestine) Voice of the National
Army of Democratic Kampuchea in Cambodian
2315 GMT 18 Nov 90*

[Text] On 18 November 1990 the Foreign Ministry of the National Government of Cambodia issued a statement exposing the content and essence of the memorandum issued on 7 November by the Hanoi authorities and the Phnom Penh and Vientiane puppets. The full text of this statement is as follows:

On 7 November 1990 the aggressor Hanoi authorities publicized a memorandum in their name and on behalf of the Phnom Penh and Lao puppets. This memorandum opposes the basic document for a comprehensive political solution to the Cambodian problem of the five permanent members of the UN Security Council [UNSC], the Jakarta joint communique dated 10 September 1990, the UNSC Resolution No. 668/1990, and the unanimous Resolution No. 45/3 dated 15 October 1990 of the UN General Assembly.

Why have the aggressor Hanoi authorities and their puppets chosen to lay their cards on the table at this moment? Why have the Vietnamese done this? What is the true nature of this memorandum?

To enlighten international and national opinion as to the evil nature of this memorandum so they can see through the evil aims of the Hanoi authorities, the Foreign Ministry of the National Government of Cambodia would like to present the following exposition:

I. The aggressor Hanoi authorities have implemented a deceitful and misleading policy:

Before invading Cambodia, they lied and launched deceitful maneuvers. After invading Cambodia, they have kept lying in order to avoid ending their aggressor war in Cambodia comprehensively and politically.

The world community still remembers well that before the Hanoi authorities launched an aggression against Cambodia, Pham Van Dong, then prime minister of Vietnam, made a promise to the ASEAN countries saying that the Hanoi authorities did not have any designs to invade Cambodia. Therefore, before committing an aggression against Cambodia, the Hanoi authorities launched diplomatic activities to deceive, trick, and lull world opinion. Since invading Cambodia, the Hanoi authorities have continued their deceitful diplomacy. Although their aggression against Cambodia has been known to the world, the Hanoi authorities have shamelessly lied that they have come to Cambodia at the request of the Phnom Penh puppets. At the same time

the Hanoi authorities have tried to fool the world by resorting to many other deceitful pretexts.

Everyone still remembers well that in September 1979 the Vietnamese permanent representative to the United Nations even dared send his own telegram to the UN secretary general informing the secretary general that it was a telegram from the Phnom Penh puppets in which they demanded that the United Nations hand over the Cambodian seat to them. A few days later it was revealed that this telegram was faked by the Vietnamese permanent representative to the United Nations. It is necessary to recall this matter in order to enable national and international opinion to see how evil the Hanoi authorities are in lying to the world.

For the past 12 years the UN General Assembly has annually adopted a resolution on the Cambodian problem. The number of votes has kept increasing each year. This year the 45th UN General Assembly has again adopted a unanimous resolution. But the aggressor Hanoi authorities have stubbornly opposed these solutions.

The aggressor Hanoi authorities have waged a war of aggression against Cambodia—plundering the natural resources of the Cambodian nation and people, sowing untold destruction among the Cambodian nation and people, massacring the Cambodian people, attempting to exterminate the Cambodian race, and sending millions of Vietnamese immigrants to plunder Cambodian territory—in an attempt to annex Cambodia into Vietnam's Indochinese Federation. To conceal this aggressive and expansionist policy, they have kept launching deceitful propaganda and diplomatic activities in an attempt to fool world opinion.

II. The framework document of the five permanent members, the Jakarta joint communique, and the UNSC Resolution No. 668/1990 are the outcome of the struggle waged by the Cambodian people and the Cambodian national resistance forces and the efforts made by the international community:

The UNSC permanent members, following six successive meetings held between January and August 1990, worked out a five-chapter framework document for a comprehensive political settlement of the Cambodian problem. Later on, through the efforts of the co-chairmen of the Paris International Conference on Cambodia [PICC] and the world community, the Jakarta joint communique was issued among the four Cambodian parties on 10 September 1990. Following this, the UN Security Council, at its plenary session, adopted Resolution No. 668/1990 approving the document of the five UNSC permanent members and the Jakarta joint communique. The 45th UN General Assembly also unanimously approved these two documents on 15 October 1990. These documents are the outcome of the arduous struggle waged by the Cambodian people and the Cambodian national resistance forces as well as the

arduous efforts made by the ASEAN countries, the world community, and the United Nations during the past nearly 12 years.

These documents sum up all the views, opinions, and ideas constituting a comprehensive, correct, reasonable, and fair solution to the Cambodian problem.

These documents entrust all the important duties to the United Nations and the UN Peacekeeping Force [UNPKF] in supervising the process to end the Vietnamese war of aggression in Cambodia, that is to supervise the total withdrawal of all categories of Vietnamese aggressor forces from Cambodia and organize a free, correct, and fair election in which no Cambodian party shall dominate another. Therefore, nothing else is more correct and fair than this.

III. The Cambodian people, Samdech Norodom Sihanouk, the Cambodian national resistance forces, and the international community fully support the basic documents:

The Cambodian people, Samdech Norodom Sihanouk, and the three Cambodian national resistance forces are satisfied with and support all these documents. They want these documents to be fully implemented.

On 22 August 1990, that is a week before the five UNSC permanent members adopted the framework document, leaders of the Cambodian national resistance forces, namely Samdech Norodom Sihanouk, His Excellency Son Sann, His Excellency Khieu Samphan, and Prince Norodom Ranariddh met and issued a joint communique. The joint communique clearly states that leaders of the resistance forces fully support the efforts made by the five UNSC permanent members concerning the Cambodian problem.

On 31 August 1990, Samdech Norodom Sihanouk, president of Cambodia and head of the Cambodian national resistance forces, issued a statement saying: In my capacity as the head of the Cambodian national resistance forces, I would like to declare that the National Government of Cambodia and the tripartite Cambodian national resistance forces fully and unreservedly support the new proposal and new peace plan of 28 August 1990 of the five UNSC permanent members.

His Excellency Son Sann, prime minister of the National Government of Cambodia, also repeatedly voiced his full support for the document of the five UNSC permanent members.

Prince Norodom Ranariddh, secretary general of the National United Front for an Independent, Neutral Peaceful, and Cooperative Cambodia [FUNCINPEC] and commander in chief of the National Army of independent Cambodia, also repeatedly stressed his full support for the document of the five UNSC permanent members.

On the part of the party of Democratic Kampuchea, immediately after the five UNSC permanent members adopted this five-chapter document, His Excellency

Khieu Samphan, in his interview with the VONADK on 28 August, voiced support for this document.

It is known to the whole world how the three Cambodian national resistance forces have cooperated with the PICC co-chairmen in the efforts to accomplish the goal of the Jakarta joint communique dated 10 September 1990.

Also on 10 September, Samdech Norodom Sihanouk issued another statement supporting the Jakarta joint communique by stressing the following: Concerning the settlement of the so-called Cambodian problem, I would like to recall that this is a problem between the SRV and Cambodia and I call for the implementation of the peace plan of the five UNSC permanent members in its entirety and in all its aspects.

On 23 September 1990, after the UNSC adopted the Resolution No. 668/1990, His Excellency Son Sann, His Excellency Khieu Samphan, and Prince Norodom Ranariddh issued a joint statement stressing that the three Cambodian national resistance forces fully support the UNSC Resolution No. 668/1990 that officially approves the framework document of the five UNSC permanent members.

On 10 October 1990, His Excellency Son Sann, His Excellency Khieu Samphan, and Prince Norodom Ranariddh issued another joint statement reiterating their support for and demanding the full implementation of the framework document, the Jakarta joint communique, and UNSC Resolution No. 668/1990.

The overwhelming majority of the world community has expressed a warm welcome for the framework document of the five UNSC permanent members and the Jakarta joint communique. This is proved by the fact that both the UNSC and the 45th UN General Assembly unanimously approved these two documents.

His Excellency Javier Perez de Cuellar, secretary general of the United Nations, in his annual report to the 45th UN General Assembly on 16 September 1990, made an appeal on behalf of the overwhelming majority of the international public opinion calling on all parties concerned directly or indirectly to support the five permanent members' document, the Jakarta joint communique, and the UNSC Resolution No. 668/1990, and to cooperate with him without reserving any rights.

In sum, the entire Cambodian people, the Cambodian national resistance forces headed by Samdech Norodom Sihanouk, the UN secretary general, the UNSC, the UN General Assembly, and the overwhelming majority of the international community joyfully support all these documents and call on all parties concerned either indirectly or directly to support and implement these documents without reserving any rights.

In their introductory statement dated 28 August 1990, the five permanent members stressed clearly that this document is the framework document for resolving the

Cambodian problem, therefore the Cambodian parties concerned should accept and abide by it in its entirety without changing or amending it.

IV. The content and true nature of the memorandum of the Hanoi authorities and the Phnom Penh and Vientiane puppets:

The aggressor Hanoi authorities and the Phnom Penh and Vientiane puppets issued this memorandum on 7 November 1990 not only to reserve their rights or to alter the document, but also to directly oppose the document of the five UNSC permanent members, the Jakarta joint communique, UNSC Resolution No. 668/1990, and the resolution of the 45th UN General Assembly.

1. Vietnam and its puppets oppose the principle that says that the Supreme National Council [SNC] is the sole legitimate organization and source of power representing Cambodia's sovereignty and unity during the transitional period.

The first and second phrases of this Vietnamese-puppet memorandum demand that the Phnom Penh regime's sovereignty be respected and the two governments be maintained. These phrases state that neither the UN Transitional Authority in Cambodia [UNTAC] nor the SNC has any right to dissolve these two governments.

This clearly means that the aggressor Vietnamese administration in Cambodia must be maintained in the zone temporarily controlled by Vietnam. In such a situation, how can the UNTAC supervise and organize the election? In such a situation, the election in the zone temporarily controlled by Vietnam is to be organized directly by the Vietnamese while the United Nations has no right whatsoever nor any means to supervise and organize the election there. By so doing, the Vietnamese and their puppets mean to make the United Nations rely on the administrative apparatus that Vietnam has installed, defended, strengthened, expanded, and controlled for the past 12 years through both the Vietnamese troops and the Vietnamese administrators disguised as Cambodians implanted in this state apparatus.

2. Vietnam and its puppets oppose the UN supervision of the withdrawal of Vietnamese forces from Cambodia and the dissolution of the Cambodian forces:

Point two in the third phrase of the Vietnamese-puppet memorandum speaks only about the separation of all the armed forces without mentioning the withdrawal of all categories of the Vietnamese forces. The third phrase of this memorandum adds that the military issue should be left for the new government after the election to decide. This clearly shows that the aggressor Hanoi authorities oppose the disarming and dissolution of all categories of their puppet armed forces.

3. Vietnam and its puppets oppose the UNPKF:

Phrase four in chapter three of the memorandum clearly opposes the dispatch of the UNPKF for supervision

work in Cambodia. It says: The military component of the UNTAC should not have the character of a peace-keeping force.

In sum, the memorandum of the aggressor Hanoi authorities openly and clearly opposes and negates the five permanent members' document, Jakarta joint communique, UNSC Resolution No. 668/1990, and the resolution of the 45th UN General Assembly.

1— It refuses to allow the United Nations and the UNPKF to supervise the total withdrawal of Vietnamese aggressor forces from Cambodia.

2— It refuses to dissolve the puppet administration and to disarm and dissolve the puppets' armed forces.

3— It refuses to allow the United Nations to organize and supervise the election to ensure that this election is held freely and in a genuinely democratic manner.

V. The aggressor Hanoi authorities and their puppets oppose the solution to end the Vietnamese war of aggression through comprehensive political means; and if they cannot avoid this, they will try to effect a reverse settlement so that Cambodia will become another Lebanon, thus enabling them to forever control Cambodia:

The struggle waged by the Cambodian people as well as the efforts made by the international community and the United Nations in the past nearly 12 years are aimed at ending the Vietnamese war of aggression in Cambodia through comprehensive political means so that Cambodia can regain its independence and enjoy genuine and durable peace, thus preventing it from becoming another Lebanon. This is the sacred aspiration of the Cambodian people as well as of the entire international community.

1. On their part, the aggressor Hanoi authorities have tried to avoid ending their war of aggression through a comprehensive political solution.

2. If they cannot avoid this, they will try to bring about a reverse solution through which they can maintain the Vietnamese aggressor forces in Cambodia and all categories of their puppet armed forces for use in causing provocations and chaos in order to turn Cambodia into another Lebanon, thus enabling them to return to invade and control Cambodia. In such a situation, no one will be able to salvage Cambodia.

This is the evil aim of the Hanoi aggressors and their puppet-lackeys. The Phnom Penh puppets want to maintain the puppet regime for hiding the Vietnamese aggressor forces. As for the Vietnamese, they want to defend and maintain their puppet regime in order to continue hiding their aggressor forces in Cambodia.

VI. Why have the Vietnamese authorities previously opposed the formation of the SNC headed by Samdech Norodom Sihanouk and now openly show their opposition to and try to abolish the document of the five permanent members and the Jakarta joint communique?

We have mentioned above that the aggressor Hanoi authorities and their puppets have opposed the efforts to end the Vietnamese war of aggression in Cambodia and kept lying and launching deceitful maneuvers in order to conceal their war of aggression in Cambodia and keep some people from seeing their true nature in opposing and refusing to end their war of aggression against Cambodia.

The fact that the Phnom Penh puppets pretended to accept the Jakarta joint communique is a part of these lies that we had just mentioned in the first point above. This is why hardly had the ink in the Jakarta joint communique—stating that the four Cambodian parties accept the framework document of the five permanent members in its entirety as the sole basis for solving the Cambodian problem and agree to form the SNC on the basis of the document of the five permanent members—dried, at the order of the aggressor Hanoi authorities, the Phnom Penh puppets quickly voiced their opposition to the formation of the SNC with Samdech Norodom Sihanouk as the chairman.

As a matter of fact, the Phnom Penh puppets have set all kinds of conditions and opposed the formation of the SNC headed by Samdech Norodom Sihanouk only at the order of the aggressor Hanoi authorities as a means to avoid the SNC from being formed and to conceal their opposition to and attempt to destroy the framework document of the five UNSC permanent members, the Jakarta joint communique, UNSC Resolution No. 668, and the resolution of the 45th UN General Assembly.

The overwhelming majority of people around the world, however, would not allow the aggressor Hanoi authorities and their puppets to hamper the process toward ending the Vietnamese war of aggression at will. Therefore, during the 9-10 November working session in Jakarta to elaborate the document of the five UN Security Council permanent members so as to advance toward reaching a comprehensive agreement and the reconvening of the Paris International Conference on Cambodia, his excellency the UN secretary general and other countries presented the documents that they had prepared for elaborating the five permanent members' document to the Jakarta working session. This has led the Hanoi authorities and their puppets to realize that their tricks and schemes that they have launched in order to avoid the formation of the SNC headed by Samdech Norodom Sihanouk were not good enough. Therefore, they turned to openly and blazently display their true nature and evil aims to destroy the five permanent members' document and the UN Security Council Resolution No. 668/1990.

It should be recalled that on 4 October 1990, Vietnamese Foreign Minister Nguyen Co Thach openly voiced his opposition to the five permanent members' document, Jakarta joint communique, and the UN Security Council Resolution No. 668, right before the 45th UN General Assembly. That was the Hanoi authorities' attempt to

prevent the UN General Assembly from approving the five permanent members' document.

Together with the schemes and activities to destroy the five permanent members' document, the Jakarta joint communique, UN Security Council Resolution No. 668, and the 45th UN General Assembly's resolution, the aggressor Hanoi authorities have kept sending more aggressor troops to Cambodia to attempt to seize the liberated zone from the Cambodian national resistance forces and display their military might in the 13th dry season for use as a deceitful propaganda to fool the national opinion while continuing their diplomatic activities to make the others accept their conditions, thus enabling them to carry on their occupation and aggression against Cambodia.

VII. Recalling Vietnam's status as the aggressor and the Vietnamese puppets' status as the traitors:

The world people still remember well that the Hanoi authorities sent hundreds of thousands of troops to invade Cambodia on 25 December 1978. After entering Phnom Penh, the Vietnamese aggressor troops installed puppet Hun Sen and Heng Samrin to power on 7 January 1979.

It should be noted that when the Vietnamese aggressor troops installed puppet Hun Sen and Heng Samrin in Phnom Penh, there was no puppet administration nor puppet army. There were then only the Vietnamese troops. Later, the Hanoi authorities sent Vietnamese personnel to join with the Vietnamese troops in managing all kinds of affairs in Cambodia. It was only then that the 50,000 Vietnamese administrative personnel and the 250,000 Vietnamese troops jointly organized a puppet regime as the auxiliary force or the Vietnamese henchman for serving the Vietnamese in their management of all the affairs in Cambodia from the central to commune and village levels. The Vietnamese troops have, for the past 12 years, tried hard to organize a puppet army by commissioning the Vietnamese officers and soldiers as the supervisors and commanders. Therefore:

1. The true nature of the war in Cambodia is the Vietnamese war of aggression. This is irrefutable.
2. Vietnam's status is as an aggressor. It holds great guilt before the people in Cambodia, Southeast Asia, and the whole world, as Hitler has before the world people.
3. The true nature of puppets Hun Sen and Heng Samrin and the other ringleaders of the Vietnamese puppet clique is that of Vietnamese lackeys who have been fostered, created, and installed by the Vietnamese. Therefore, they are the traitors to the Cambodian nation and people and, as the traitors, must be responsible for the crimes toward the Cambodian nation and people as Laval [French traitor] must be toward the French nation and people.

But, out of the desire to quickly end the Vietnamese war of aggression in Cambodia through comprehensive political means, thus enabling Cambodia to quickly regain its

independence and peace, the National Government of Cambodia and the Cambodian national resistance forces headed by Samdech Norodom Sihanouk will not take any action against all these ringleaders of the traitorous puppets. We will not demand any punishment on the aggressor Hanoi authorities nor claim any compensation from them.

Now that there are the framework document of the five permanent members, Jakarta joint communique, the UN Security Council Resolution No. 668, and the resolution of the 45th UN General Assembly, the Cambodian people, Samdech Norodom Sihanouk, and Cambodian national resistance forces, as well as the majority of people across the world are of the opinion that all parties concerned should compromise with each other so as to let the Cambodian people decide their own destiny and enable Cambodia to regain its independence and peace, thus ensuring peace, security, and stability in Southeast Asia. But, on the contrary, the aggressor Hanoi authorities have ordered their puppets to make all kinds of demands and set all kinds of conditions. They have launched activities to oppose and destroy these documents and prevent all efforts to end the Vietnamese war of aggression.

The Cambodian people and the majority of peoples in the world have been well aware of this matter. We think, however, that it is necessary to recall the Vietnamese status as the aggressor and the puppets' status as the traitors who should be responsible for the crimes toward the Cambodian nation and people and the world people so as to remind the aggressor Hanoi authorities and the ringleaders of the traitorous clique that they have no right to make any demand or set any condition.

All of their conditions are unacceptable to the Cambodian people, the National Government of Cambodia, and the Cambodian national resistance forces.

VIII. The stance of the National Government of Cambodia and the Cambodian national resistance forces:

The National Government of Cambodia and the Cambodian national resistance forces would like to reiterate their stance as follows:

1. The National Government of Cambodia and the Cambodian national resistance forces respect and abide by the framework document of the five permanent members, Jakarta joint communique, and UN Security Council Resolution No. 668, and would like to call on all parties to respect and abide by these documents as well. At the same time, the National Government of Cambodia and the Cambodian national resistance forces joyfully acclaim all other countries that have strived to elaborate the working process in Jakarta and all other places by basing on the document of the five permanent members, Jakarta joint communique, and UN Security Council Resolution No. 668.

2. Based on the document of the five permanent members, Jakarta joint communique, and UN Security

Council Resolution No. 668, all of us should quickly select Samdech Norodom Sihanouk as the SNC chairman and 13th member first before discussing the other issues.

3. After the establishment of the SNC with Samdech Norodom Sihanouk as its chairman, it is imperative to immediately hold an SNC meeting in order to discuss and decide on all issues that any party would like to raise up, including the problem of the vice chairman.

In conclusion, the National Government of Cambodia and the Cambodian national resistance forces headed by Samdech Norodom Sihanouk would like to appeal to all peace- and independence-loving countries throughout the world to help persuade all parties concerned to respect and abide by the framework document of the five permanent members, Jakarta joint communique, and UN Security Council resolution in order to quickly end the Vietnamese war of aggression in Cambodia and enable Cambodia to regain independence and peace without the Vietnamese aggressor forces stationing in its territory, thus ensuring peace and stability in Southeast Asia.

His Excellency Javier Perez de Cuellar, secretary general of the United Nations, has expressed his conviction that the efforts to settle the Cambodian problem comprehensively through political means have reached the final stage and will certainly be successful.

The National Government of Cambodia and the Cambodian national resistance force headed by Samdech Norodom Sihanouk also have similar conviction. This is because the UN Security Council, through its resolution No. 668, and the 45th UN General Assembly have set a firm position for the document of the five permanent members and the Jakarta joint communique to become international documents. Therefore, these documents will certainly overcome all schemes, tricks, and brute forces. Cambodia will certainly regain its independence, territorial integrity, and peace, and though this peace and stability in Southeast Asia will be further strengthened and last forever.

[Dated] 18 November 1990

[Signed] The Foreign Ministry of the National Government of Cambodia.

Indonesia

Coverage on Suharto Visit to Japan, PRC, SRV

Talks in SRV Reported

BK2011141990 Jakarta Domestic Service in Indonesian 1200 GMT 20 Nov 90

[Excerpts] In Hanoi this morning, President Suharto held about three hours of successive talks with Nguyen Van Linh, general secretary of the Communist Party of Vietnam, Vietnamese President Vo Chi Cong, and Do Muoi, chairman of the Council of Ministers. The talks,

which proceeded in a friendly atmosphere, were the climax of President Suharto's visit to Vietnam.

Here is a report from Hanoi by Hendro Martono, RRI [Radio Republic of Indonesia] Jakarta correspondent, on the results of the talks.

[Begin recording] [Martono] Vietnamese leaders regarded President Suharto's visit to Hanoi as an expression of Indonesia's sense of friendship toward their country and people. As expected, the Cambodian issue was given serious attention during the talks. In essence, Indonesia and Vietnam agreed to push the Cambodian leaders to immediately settle problems among themselves, particularly the chairmanship of Cambodia's Supreme National Council [SNC]. According to Minister and State Secretary Murdiono, this was important to show that the Cambodian people are a sovereign nation.

[Murdiono] They agreed that the settlement of the Cambodian issue indeed rested with the Cambodian people themselves on the basis of the thinking that every nation has full sovereignty [words indistinct].

[Martono] Besides the Cambodian issue, President Suharto and the Vietnamese leaders also discussed Vietnam's desire to learn from Indonesia's development program. In this regard, Indonesia expressed readiness to share its experience with Vietnam. The Cambodian issue, which became the topic of the discussions between President Suharto and the Vietnamese leaders, was also discussed by Foreign Minister Ali Alatas and Vietnamese Foreign Minister Nguyen Co Thach who were accompanied by their respective delegations. Minister Ali Alatas explained to the Vietnamese side why the recent Jakarta preparatory meeting on Cambodia was a limited one. He said this was because France and Indonesia as co-chairmen of the Paris International Conference on Cambodia felt that this preparatory meeting was necessary prior to the coming Paris conference. In this connection, Vietnam stressed that the United Nations should not forget that Cambodia is a sovereign country while performing its tasks there. According to Minister Ali Alatas, this thinking was indeed acceptable.

[Alatas] In fact, this thinking is good because it is acceptable (?to all sides). We agreed that we should, on the other hand, however, also realize that we had instituted a formula—UN involvement, something which the United Nations has never done before. Thus, we have indeed used a new method. The United Nations will not only be asked to verify and monitor the withdrawal of foreign troops or a general election [words indistinct], but it will also be given a larger role in this case. [words indistinct] It is a very difficult matter. Indeed, it is very sensitive. [words indistinct] Fortunately, we both have agreed on the P-5 [Permanent Five] document, as it is known—the document of the five permanent members as a basis and framework. Let us not question again the points we have already agreed upon. Well, I think this was the essence of our exchange of views on this matter.

[Martono] Minister Ali Alatas said that Indonesia and Vietnam agreed that the SNC chairmanship was an internal affair of Cambodia. The outsiders should not create the impression that they would impose their will. However, (?he) stressed that the issue of chairmanship of the council had not yet been settled and tended to impede the convening of the coming Paris conference. Accordingly, Indonesia and France will call members of the SNC to inform them what Indonesia and France are doing and to help settle the SNC chairmanship issue. Vietnam seemed to understand this.

According to Minister Ali Alatas, Indonesia and Vietnam also discussed the continental shelf between the two countries. Economic, technical, scientific, and industrial cooperation between Indonesia and Vietnam would not be impossible.

Tomorrow, Indonesia and Vietnam will sign a (?new) agreement which can serve as a basis for cooperation between the two countries. One of the points in the agreement is the establishment of a joint ministerial commission.

Vietnam reiterated its desire to be a signatory of the ASEAN Treaty of Amity and Cooperation issued during the first ASEAN summit in Bali in 1976. Papua New Guinea was the only non-ASEAN country to have signed the agreement.

Indonesia and Vietnam also explored a possible cooperation in the South China Sea to avoid as early as possible the emergence of new areas of dispute because there were potentials for such disputes. For this reason, Indonesia has begun developing cooperation and understanding, a step which has been supported by Vietnam.

According to Minister Ali Alatas, Vietnam expressed a better understanding of the East Timor issue and would help explain Indonesia's position to the international community. [passage omitted]

President and Mrs. Suharto met members of the Indonesian community residing in Vietnam in Hanoi this evening. [end recording]

Former Communists 'May Return'

BK2111113190 Jakarta ANTARA in English 1028 GMT
21 Nov 90

[Text] Aboard Garuda, Nov. 21 (OANA-ANTARA)—President Suharto said Wednesday that former Indonesian communists in China may return home but have to account for their past actions before the court. They may return, but they should account for their actions, the president said in his statement to journalists on board the Garuda DC-10 that brought him home from a state visit to Japan, China, and Vietnam from November 11-21.

According to the president, if they are not brought to court, it won't be fair toward other Indonesian communists who had been punished. If in court they are proven innocent, nothing would be done to them.

The problem of ex-Indonesian communists in China was brought up by President Suharto in his talks with Chinese Communist Party (CCP) Secretary General Jiang Zemin in Beijing. To President Suharto, Jiang Zemin explained that in China there are still a handful of former Indonesian communists but they are all already old and are forbidden to be involved in politics. Jiang Zemin explained that the CCP has no relations with the banned Indonesian Communist Party (PKI).

President Suharto explained to Jiang Zemin that there were no longer any PKI detainees in Indonesia and former PKI members were now free in society after undergoing their punishment. PKI was disbanded in 1966 following the involvement of the party in the aborted 1965 G 30 S [30 September Movement]/PKI coup d'etat.

President Suharto explained that his meeting with the CCP secretary general was to get firsthand information that the CCP adopted the principle that it would not interfere in the internal affairs of other countries in accordance with the ten principles of Bandung and the five principles of peaceful coexistence.

The CCP secretary general said that his party did not interfere in the internal affairs of other countries and wanted China to cooperate with other countries, including those that banned communist parties. What he said was similar to what Li Peng said when he visited Indonesia in August this year to witness the signing of documents on the resumption of Indonesia-China diplomatic relations after being frozen for 23 years. For the normalization of relations, Indonesia had made a requirement to China not to interfere in the internal affairs of Indonesia.

In the field of economic cooperation, Suharto's visit to China had resulted in agreement to probe for the possibility of Indonesia importing cement, trucks, and buses and the use of China's rocket to launch Indonesian satellite as well as the possibility of China importing fertilizer from Indonesia.

On the launching of the satellite, the president said it would be taken into consideration because the cost was relatively lower than those offered by the U.S. and the European consortium as long as the security was guaranteed.

Coordinating Minister Radius Prawiro said earlier that the cost requested by China was less by 17 million U.S. dollars than that asked for by the U.S. NASA.

Delegation Arrives Home

BK2111124590 Jakarta Domestic Service in Indonesian 1200 GMT 21 Nov 90

[Excerpt] President, Mrs. Suharto, and the delegation returned home at 1546 West Indonesian Time [0846 GMT] this afternoon following 11-day state visits to Japan, the PRC, and Vietnam. Upon arrival at Halim Perdanakusuma Airport in Jakarta aboard a DC-10 Garuda Indonesia aircraft from Noi Bai Airport in Hanoi, Vietnam, the head of state was greeted by Vice President Sudharmono; General Try Sutrisno, commander of the Armed Forces of the Republic of Indonesia; several ministers, and other senior officials. Members of President Suharto's delegation included Minister and State Secretary Murdiono, Foreign Minister Ali Alatas, and Radius Prawiro, coordinating minister for economic, financial, and industrial affairs. [passage omitted]

Radio Hails PRC Visit

BK2011112590 Jakarta Domestic Service in Indonesian 0000 GMT 20 Nov 90

[Station commentary]

[Text] In a joint press communique issued on Saturday [17 November] marking the end of President Suharto's week-long official visit to the People's Republic of China, the two nations saw the vast opportunities for the promotion of bilateral cooperation in the fields of economy, trade, science and technology.

After bidding farewell to President and Mrs. Suharto, PRC President Yang Shangkun said that the outcome of President Suharto's visit and talks with several PRC leaders had enriched a new horizon that would give a solid meaning to future cooperation and relations between the two countries.

A new subject included in the memorandum of understanding was the establishment of a joint Republic of Indonesia-PRC commission to enhance economic, trade, and technical cooperation. The memorandum was signed by Radius Prawiro, coordinating minister for economics, finance, and industry; and Zheng Tuobin, PRC minister of foreign economic relations and trade.

Politics, though not highlighted, also marked discussions between President Suharto and the PRC leaders. They discussed not only matters of bilateral and international interests but also topics of regional interests, particularly efforts to solve the Cambodian issue. The last subject will definitely figure prominently at meetings between President Suharto and Vietnamese leaders in Hanoi.

Through a series of private talks between President Suharto and a number of leaders from several countries since the head of state was in Tokyo, it is now possible for us to conclude that Indonesia's role in Southeast Asia and the Pacific will be intensified. This includes the hope for a speedy solution to the Cambodian conflict. This

current state visit is very timely in view of trends of a reduction of tension between nations outside Southeast Asia—the United States, Soviet Union, Japan, and PRC, which have been clearly competing to exert their influence. The two superpowers—the Soviet Union and United States—have firmly expressed their willingness to reduce their military presence in Southeast Asia. If this prediction is true, Indonesia will be freer to develop its foreign policy on a larger scale within the context of North-South relations, along the nonaligned lines, within the context of Muslim countries through the Islamic Conference, or in the Asia-Pacific rim which is said to be the region of the future.

We definitely hope that Indonesia's increased regional and global role will bring a wide positive impact on the improvement of the quality of human resources, the flow of investment, and the expansion of the country's exports as our national development is entering its take-off era. This hope will come true more quickly if the private sector is intelligent enough to take advantage of new opportunities that have been wide open through the current tour of the head of state. The government has already introduced such guidelines.

Paper Calls Visit 'Significant'

BK1611063790 Jakarta Domestic Service in Indonesian 0600 GMT 16 Nov 90

[From the Press Review]

[Text] The ANGKATAN BERSENJATA daily says that President Suharto's visit to Beijing is significant for the two countries as well as for efforts to achieve world peace and promote mutually advantageous economic cooperation and relations. Friendly relations and exchanges of visits between Indonesian and Chinese leaders have indeed taken place for centuries. Thus, the president's current visit is also politically significant for the settlement of the Cambodian crisis as the PRC is involved in the problem through its assistance to the Khmer Rouge.

Action Planned on Articles Insulting Suharto

BK1611133390 Jakarta Domestic Service in Indonesian 1200 GMT 16 Nov 90

[Text] The Information Department will take action against recent articles published in The INTERNATIONAL HERALD TRIBUNE and the FINANCIAL REVIEW, which have discredited President Suharto. Information Minister Harmoko said this after opening an international photography exhibition at the Netherlands Embassy in Jakarta this evening.

Speaking to newsmen, Minister Harmoko described as cheap journalism articles of foreign publications currently circulating in Indonesia. The articles have insulted the head of state, the country, and the nation. The minister said action will be taken against the distributor of the publications as well as the authors of the articles. He also stressed that the same strong action will be taken

against the authors as what the government had done to David Jenkins from Australia.

Government To Try 12 Firms on Labor Violations

BK1911072490 Hong Kong AFP in English 0230 GMT 19 Nov 90

[Text] Jakarta, Nov 19 (AFP)—The government plans to have the owners of 12 companies tried soon on charges of violating the regulation on minimum labor wage payments, press reports said here Monday.

THE JAKARTA POST daily quoted the chief of the Jakarta office of manpower, Budi Maryoto, as saying at the weekend that investigations of the 12 companies have been completed and their files would be handed over to the attorney general's office. Mr. Maryoto said that the companies had also failed to provide their workers with the mandatory workers' insurance coverage and the necessary safety equipment.

Courts here have already sentenced the owners of 13 companies to between 15 days and one month in jail upon conviction on similar charges, he said.

Indonesian authorities set minimum worker wages according to the regions. A worker in Jakarta should receive at least 2,100 rupiah (72 to 116 U.S. cents) for a day's work, according to regulations.

Philippines

PRC Recalls Ambassador To Protest Taiwan Act

HK2111130990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 21 Nov 90

[By Rey Arquiza]

[Text] The PRC is displeased with the Philippines regarding the Taiwan issue. This is why they recalled their permanent ambassador to the Philippines. Ambassador Wang Yingfan was recalled to Beijing. The media did not immediately receive the news because the embassy released the information much later. The minimum stay for a diplomatic official is three years and the maximum is four years. Wang has been in the country for two years and three months. Guo Baocheng, PRC Embassy first secretary and spokesman in the Philippines, said Wang does not yet have a replacement. If in three months no replacement is named, China might downgrade its embassy here while the Aquino government continues to have formal ties with Taiwan. Although the PRC Embassy did not issue an official statement, it looks as if they will cut diplomatic ties with the Philippines if the Republic of the Philippines [RP]-Taiwan Relations Act is approved. It is currently under study in the House of Representatives. According to Beijing, the RP-Taiwan Relations Act violates the One-China policy stated in the joint communique signed by both countries in June 1975. The PRC issued a strongly worded statement regarding the proposed bill, especially

after learning that Finance Secretary Jesus Estanislao and Central Bank governor Jose Cuisia went to Taipei last month. It was also reported that President Aquino plans to visit Taiwan before the year ends. This report, which was headlined in the newspapers, was not officially denied by Malacanang.

Lack of Funds for Bases' Conversion Admitted

HK2111030790 Manila BUSINESS WORLD
in English 21 Nov 90 pp 1, 6

[By Jose G. Ebro]

[Text] Prospects for generating revenue for the country's bases conversion program look dim with the Philippine Government deciding not to let go of Camps Crame and Aguinaldo and the ownership of Bonifacio in question.

This came to light during the Manila Jaycees general meeting at the Philippine Plaza yesterday, where Bases Council chairman Jose Abueva addressed the Jaycees as guest speaker.

"Aguinaldo and Crame are out, there is no intention to dispose of these," Dr Abueva said.

Aside from the Philippine military's objections, "we understand that the nature of these camps' conveyance to the Government provides for their reversion to their original owners once their use as military facilities are over," a Defense official said in a previous interview.

The Bases Council had originally intended to sell Aguinaldo, Crame, Bonifacio and Villamor in order to implement its conversion program.

Jaycee Manuel Ortega also pointed out that the Zobel family would have prior claim to the Fort Bonifacio area should the Government try to sell the land. "They hold Torrens titles back to the Spanish period," he said.

Unless there are snags to its sale as well, Villamor Air Base will be the only area from which the Government can realize proceeds for bases conversion. But that will not be enough to cover the P [Philippine Peso]158 billion projected cost for the conversion program which Dr. Abueva says will take place over a ten-year period.

An observer pointed out that this figure is bound to be readjusted given the current inflationary spiral. "Our consultants are studying the problem and you can be sure we will not foolishly try to sell land which we have no right to dispose of," Dr Abueva told the Jaycees.

NOT TREATY

Meanwhile, Foreign Affairs Secretary Raul Manglapus told newsmen yesterday the U.S. military will no longer need another treaty to secure access to bases here after the phasedown-phasein period now being negotiated.

"We just have to have a treaty that will describe the process by which the character of our relationship will change...from a security relationship to one on purely commercial basis," he said.

The transition will occur much quicker for Clark Air Base and the Crow Valley training facility than for Subic, "which will take a little while before the relationship becomes something like an owner-client or landlord-tenant one," Mr Manglapus said.

U.S. Pacific Commander Adm. Huntington Hardisty was recently reported as amenable to such a timeframe. Expressing surprise at that, Mr Manglapus said it "is good news...a forward step obviously."

"After the years we are talking about, after the period...they (Americans) will be able, on a commercial basis, to avail of our services like airport services, ship repair, etcetera," he said, in effect assuring the Americans of continued access as long as they wish "so long as they pay the fees."

Once the Civil Aviation Complex is fully functioning, Mr Manglapus said, the U.S. Military Airlift Command, for instance, will be operating out of Clark like any other airline which might seek to establish satellite terminals there.

In the case of Crow Valley, all users of the air gunnery range, including the United States, Singapore and Australian air forces will be "paying on a commercial basis," he said, pointing out that there is no need for a treaty for this sort of arrangement as "this does not involve the permanent basing of foreign combat forces here."

By moving away from security relationship to a purely commercial arrangement, the Philippines may have inadvertently precluded its having a voice in U.S. military operations in the region. U.S. forces could conceivably refit and resupply at the country's bases and then engage in offensive operations in the region without having to consult or seek the Philippines' permission.

"That is access," Mr Manglapus admitted, "they're doing it right now, their ships touch port almost anywhere in the world...and they proceed from these points to the Persian Gulf, for example."

Foreign Creditors Demand Oil Price Increase

HK2111031390 Manila THE MANILA CHRONICLE
in English 21 Nov 90 pp 1, 9

[By Arleen Chipongian]

[Text] Foreign creditors are demanding that the Philippines raise its oil prices again before they support its new economic program.

Finance Secretary Jesus Estanislao said yesterday the new demand was tied to the concern of the creditors, represented by the International Monetary Fund, about

the public-sector deficit, expected to reach P [Philippine peso] 58 billion by the end of the year.

The new demand, raised without prejudice to an earlier IMF demand for new taxes to raise additional revenue to plug the deficit, reflects IMF's traditional lack of faith in government subsidy, such as the oil companies enjoy.

The price increase, whose proceeds will go to the oil companies, which in turn will pass it on to the consumers, replaces the subsidy which otherwise is allotted from the budget. "This issue will have to be faced squarely," said Estanislao, the Philippines' chief negotiator.

A Philippine observer at the talks with IMF, Rep. Margarito Teves (LDP [Struggle of Philippine Democrats], Negros Oriental), was more straightforward with his view: "Personally, I support the oil price adjustment."

Such an increase, which will be the second since September, will follow closely a devaluation of the peso against the dollar last month and will trigger a chain effect on other prices—first the prices of gasoline, diesel and other fuels, then transport fares, then electric rates and finally the prices of goods and services in general.

As it is, workers are still fighting, in some cases with street demonstrations, for a raise they have demanded in the wake of the last price increases.

The country's economic difficulties have been largely a result of the increase in the price of imported crude from the Persian Gulf, which in turn was a result of the troubles started by Iraq's invasion of neighboring Kuwait on Aug. 2. Even before that, the Philippine economy had been set back by drought, a powerful earthquake and floods.

For itself, the Philippines is seeking relief not only in further credit but in the writeoff of debts contracted by Ferdinand Marcos' dictatorial regime.

Estanislao made it clear, however, this was meant to apply only to debts "proven fraudulent." He added that the Philippines did not intend "to act unilaterally."

In a separate interview, Central Bank Gov. Jose L. Cuisia Jr. said that, even if some irregularities were found in the use of the loans, irregularities in which "the banks did not participate, then there is nothing to talk about."

The Philippines is also asking the creditors to allow it again to buy back debts to take advantage of prevailing big discounts. This time it proposes to use loans meant originally to simply lighten interest payments.

Senators Again Urge Foreign Debt Repudiation

*HK2111053190 Manila DWIZ Radio News 882
in Tagalog 0400 GMT 21 Nov 90*

[Text] Several senators are again calling for the Aquino government to carefully negotiate with foreign creditor banks for nonpayment of the Philippines' foreign debt.

According to Senate President Jovita Saionga, he has long been urging that the country repudiate all debts incurred by the Marcos regime.

Meanwhile, Senator Aquilino Pimentel, Jr. has criticized the country's businessmen for not being aggressive enough in their negotiations for a reduction of the country's present debt, for which the IMF and the World Bank have been demanding payment. Pimentel also said that cash negotiations should be resorted to so that foreign banks can be persuaded to reduce the country's debt, especially in view of the calamities which the country has been facing.

ADB Approves SDR Loan for Water Project

*HK2111025790 Manila BUSINESS WORLD
in English 21 Nov 90 p 2*

[Text] The Asian Development Bank [ADB] yesterday approved an interest-free SDR [Special Drawing Rights] 16.727 million (\$24 million) loan and a technical assistance grant of \$130,000 to the Philippines for the Second Island Provinces Rural Water Supply Sector Project.

The loan is from the Bank's concessional Asian Development Fund. It carries a term of 35 years, including a grace period of 10 years and a service charge of 1% per annum.

The main aim of the project is to provide safe and accessible drinking water to about 180 rural municipalities in 15 selected island provinces, particularly in those areas where the number of households serviced by the existing water supply systems is still low and in those areas where water supply facilities have not been developed. The project is expected to benefit about 1.1 million people when the systems are fully installed in the middle of 1994, eventually increasing to 1.2 million by the year 2000.

The project provides for the development of 7,800 Level I systems (point-source) comprising construction of 4,000 shallow wells, 3,000 deep wells and 300 spring developments and rehabilitation of 500 existing Level I systems in selected rural communities in 15 island provinces.

The areas include the provinces of Batangas, Marinduque, Romblon, Masbate, Catanduanes, Guimaras, Negros Occidental, Negros Oriental, Siquijor, Basilan, Sulu, Tawi-Tawi, Camiguin, three islands of Quezon and the two main islands of Surigao del Norte.

The project is expected to reduce the occurrence of water-borne diseases. Consequently, poverty alleviation due to a reduction in mortality and morbidity rates and increased time for more productive activities can be expected. Moreover, the project will harness the support and participation of women.

The ADB will also provide a \$130,000 advisory technical assistance for a training system to strengthen technical capabilities of the Department of Public Works and Highways and Local Government Units' personnel involved.

Aquino Said Considering Cabinet Revamp

*HK2111053990 Manila DWIZ Radio News 882
in Tagalog 0400 GMT 21 Nov 90*

[Text] President Aquino may replace some members of her cabinet so as to make the Executive Department more effective. According to Presidential Spokesman Adolfo Azcuna, the president is personally observing the performance of each cabinet member. Azcuna said some department secretaries may be replaced, since the president is entitled to do this at any time. Earlier reports said a cabinet revamp was expected before the end of year.

Ramos Assures More Security Against Bombings

*HK2111121790 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 21 Nov 90*

[Text] Defense Secretary Fidel Ramos today assured that the military is fielding additional security to prevent the so-called bomb warfare by the rebels. In an interview, the defense chief said the Armed Forces and police have deployed bomb squads and special intelligence operatives to go after the perpetrators of the series of bombings in Metro Manila. Authorities recently discovered over 100 dynamite sticks and other explosives in the Filipinas Shell Petroleum Corporation depot in Pandacan, Manila. The attempt to bomb the oil depot is the most serious threat so far in the spate of destabilization attempts by the government's enemies. Ramos assured the people that the government is implementing measures so that the situation will not worsen. In addition, he said that the military is investigating whether the Shell incident and the explosion at the house of Justice Secretary Franklin Drilon in San Juan, Metro Manila, are related. Earlier, Armed Forces officials reported that they are closely monitoring communist terrorists and military rebels belonging to the Reform the Armed Forces of the Philippines-Young Officers Union. Defense Secretary Fidel Ramos called those behind the depot bomb incident, fools. According to him, they want to sabotage the country's economy so they will have the leverage to invite the citizens to join them, even through violent means. He also appealed to the people to be vigilant and prevent the destructive plans of these groups.

[Begin recording] [Ramos] We can say there are many fools in our society whose intentions are bad, not for the good of our countrymen. In particular, the attacks on oil supplies, oil depots, even bases. This is against the people.

[Reporter] Who do you think are responsible for these?

[Ramos] They are still under investigation. We cannot tell. But we have a theory which still needs to be confirmed. [end recording]

Authorities Arrest Honasan Aide in Paranaque

*HK2111054190 Manila DWIZ Radio News 882
in Tagalog 0400 GMT 21 Nov 90*

[Text] The chief mechanic of renegade Colonel Gringo Honasan has been arrested by joint forces of the Paranaque authorities. A raid carried out by members of the Southern Police District, Capital Regional Command, Makati police and Paranaque police succeeded in arresting Eddie Reyes, believed to be a colleague of Honasan. The raid took place at 0230 today at a shop owned by a certain Eddie Palo at 1411 Gabriel Street in Paranaque, Metro Manila. A Honda 1100-cc motorcycle owned by Honasan was found in the shop—it bore plate number PMCH6193.

Six other men were caught during the raid. The authorities are investigating whether or not they are part of Col. Honasan's group.

Two Constabulary Commanders Relieved of Posts

*HK2111035390 Manila DIYARYO FILIPINO
in Tagalog 21 Nov 90 pp 1, 7*

[By Fer Taboy and Elvie Damian]

[Excerpt] Two PC-INP [Philippine Constabulary—Integrated National Police] provincial commanders in Mindanao have been relieved of their posts for their involvement in the last coup attempt by Colonel Alexander Noble.

Major General Cesar Nazareno, PC-INP chief, ordered the dismissal of Lieutenant Colonel Romeo Acop of Agusan del Norte and Lt Col William Amerkhan of Misamis Oriental. Nazareno said, "I cannot imagine how Noble was able to traverse some 200 kilometers from Butuan City to Cagayan de Oro City without being noticed by the PC-INP unit."

It is believed that the dismissal of both Acop and Amerkhan is the start of a general reorganization in the PC-INP provincial commands, which Nazareno had said would be accomplished before the end of the year.

Acop will be replaced by Lt Col Marcelo Delizo, while Lt Col Ruperlito Andanar will replace Amerkhan.

Earlier Nazareno announced that 14 provincial commanders would be replaced by the end of the year, after a thorough evaluation of all provincial commanders is made.

"All provincial commanders who have been performing below par in their regions will be replaced. Before the end of the year, I will release the names of the 14 to be dismissed from their posts," Nazareno said.

Under PC-INP regulations, all PC companies based in rebel-infested barangays will undergo a "clean-up" within a 3-month period. PC personnel will be scrutinized to determine the minimum number of rebel encounters with rebels they have been involved in each month.

Provincial commanders who have accomplished only 75 percent of their duties will be given a passing grade, according to Nazareno. [passage omitted]

Report on Army Defectors to NPA Denied

*HK2111030390 Manila MANILA BULLETIN
in English 21 Nov 90 p 8*

[Text] The Philippine Army (PA) said yesterday no Army soldiers surrendered to the New People's Army (NPA) after a fierce gunbattle between government troops and communist rebels in San Miguel, Surigao del Sur early this month. Maj. Gen. Guillermo Flores, Army chief, said "government troops fought it out until the end and never surrendered."

Flores said the National Democratic Front (NDF) in Mindanao "has been spreading false information to make it appear that the NPA is winning in combat against the military."

He said in the battle last Nov. 3, Army troops killed 15 of about 100 heavily armed communist guerrillas who attacked a company of soldiers from the 29th Infantry Battalion (IB).

'Rebels' Kill Seven in Iligan; Raid Cacao Farm

*HK2011134390 Manila Radio Veritas in Tagalog
1300 GMT 20 Nov 90*

[Text] Five CAFGU [Citizen Armed Force Geographical Unit] members and two soldiers were killed in an ambush believed to have been carried out by rebels in Lapuyan, Iligan. No one was reported killed on the rebels' side. The victims were patrolling Lapuyan when ambushed.

Meanwhile, the New People's Army [NPA] chapter in Iligan denied being involved in the slaying of City Administrator Attorney Romeo Mata. Mata was driving his child to school when ambushed. His wife was wounded in the incident. The rebels said the city administrator may have been killed by his political enemies.

In related news, a delayed report stated that rebels raided a farm owned by businessman Antonio Floreindo in Davao del Norte. They burned a tractor and destroyed 550 cacao plants worth P [Philippine peso] 1-million.

In Davao del Sur, 50 communist rebels burned a bus and took hostage the three bus employees and a military man who were on board the bus. The military man was identified as Philippine Constabulary Lieutenant Aristotele Binasa. No one was hurt in the incident.

CPP-NPA Said Setting Up Seaborne Units

*HK2111052790 Manila DWIZ Radio News 882
in Tagalog 0400 GMT 21 Nov 90*

[Text] Communist rebels in the Bicol region are setting up a seaborne-operating unit which they call Patong Nabal ng Bayan [Naval Strength of the Nation] [PNB]. This was confirmed by PC-INP [Philippine Constabulary—Integrated National Police] Bicol Regional commander Colonel Norberto Lina, who said that the unit was set up after the Communist Party of the Philippines [CPP] approved its recommendation by Sotero Llamas, alias Ka [Comrade] Loglog, a top CPP-NPA leader in Bicol. Lina said PNB members are made up of mass-based personnel in Bicol's coastal towns, where fishing vessels ply. He also confirmed that the rebels are stepping up their collection of progressive taxes and that they are activating the PNB throughout the entire Bicol region.

Warships Converted From Patrol Boats Launched

*HK2111063790 Manila DWIZ Radio News 882
in Tagalog 0400 GMT 21 Nov 90*

[Text] The Philippine Navy today will launch the first of three warships converted from American-built patrol boats. They are part of 38 vessels received from the United States which will be used to enhance the Navy's patrol capabilities in the country's critical areas. Defense Secretary Fidel Ramos and Armed Forces Chief of Staff General Renato de Villa are scheduled to inspect the warships' new equipment during a commissioning ceremony to be held tomorrow at Philippine Navy headquarters.

Philippine Navy Rear Admiral Mariano Dumangas said that the new PCF's [patrol craft (fast)] are the first batch of patrol boats built in New Orleans, Louisiana, and are part of the U.S. compensation package under the Military Bases Agreement.

Thailand

Chatchai Leaves Bangkok To Meet With King

Resignation Rumors Not Confirmed

*BK2111100490 Hong Kong AFP in English 0954 GMT
21 Nov 90*

[Text] Bangkok, Nov 21 (AFP)—Amid rumours of his impending resignation, Prime Minister Chatchai Chunchawan, left here Wednesday for an audience with King Phumiphon Adunyadet in the northeast of the country, government sources said.

One cabinet source said Mr. Chatchai, 73, whose ruling coalition has come under heavy pressure from Thailand's military leaders, had decided to resign, but his son and close adviser Kraisa Chunchawan refused to confirm the report. Mr. Kraisa would only say that the premier had flown to meet the king in Sakon Nakhon Province, 650 kilometers (390 miles) northeast of here, to "report both on domestic issues and his recent trip to

Japan and China." Provincial officials reached by telephone said Mr. Chatchai had arrived at the Sakon Nakhon airport for "private talks" with the king at his mountaintop palace.

"The prime minister has not decided yet," government spokesman Suwit Yotmani said when asked about the resignation rumours. "His decision will be known soon."

Mr. Chatchai, who in August 1988 became Thailand's first premier to be voted into office at a general election, heads a shaky coalition that has been plagued with infighting and tainted by charges of corruption. The military establishment, which still plays a key political role in Thailand, has stirred fears of a coup by putting strong pressure on Mr. Chatchai to reshuffle his government.

During Mr. Chatchai's week-long trip earlier this month to Japan and China, Army Chief General Suchinda Khraprayun banned public gatherings in front of the prime ministry. Critics described the move—aimed to prevent demonstrations in favor of Chaloeam Yubamrung, a Cabinet minister whose ouster is sought by the military because of his attacks against Armed Forces Supreme Commander Sunthon Khongsomphong—as a "silent coup." The Armed Forces are believed to be seeking the dismissal of other Cabinet members, including Interior Minister Banhan Sinlapa-acha.

Both Gen. Sunthon and Gen. Suchinda, as well as Air Force Commander Air Chief Marshal Kaset Rotchananin, failed to turn up Wednesday at Mr. Chatchai's home here for their regular weekly breakfast.

Mr. Chaloeam's feud with the military intensified in June when he disputed the political and personal integrity of the then-deputy premier and defense minister, General Chawalit Yongchaiyut. This led to the resignation of the 58-year-old Gen. Chawalit, who has announced that he intends to succeed Mr. Chatchai as premier.

There have been announcements over the past few weeks of an impending government reshuffle, which would be the second since August, when Mr. Chatchai made 17 changes in his Cabinet.

The seven-party coalition the premier leads holds 246 of the 357 seats in the National Assembly. Mr. Chatchai's Thai Nation Party, which has 87 seats, is also deeply divided between rival factions, one of which is led by the interior minister.

Chatchai Refuses Comment

*BK2111101690 Bangkok Domestic Service in Thai
1002 GMT 21 Nov 90*

[By Radio Thailand correspondent—live]

[Text] At about 1650 today, Prime Minister General Chatchai Chunhawan arrived at Sakon Nakhon airport via an Air Force plane to call on the king and queen at Phuphan Ratniwet Palace.

At the airport, the prime minister spoke to correspondents, saying he was there specifically to call on the king and queen. The prime minister said so far there has been no Cabinet reshuffle. He refused to answer the question of whether he will resign but hurried to get into a car to go to the palace. At the time of this report, the prime minister is in a meeting with the king.

Army Chief, Officers Arrive

*BK2111121490 Bangkok Thai Color Television
Channel 9 in Thai 1155 GMT 21 Nov 90*

[Text] At about 1700, Army Commander General Suchinda Khraprayun and senior military officers, such as Gen. Wimon Wongwanit, Lieutenant General San Siphon, and Major General Chainarong Nunphakdi, arrived at Sakon Nakhon airport. They are scheduled to call on the king. The army commander told newsmen briefly that his arrival there had been scheduled earlier and had nothing to do with the rumors that the prime minister will resign. Asked whether the military's pressure contributed to the current situation, the army commander said that was not true, noting that the military had not pressured the prime minister.

Meanwhile, a group of reporters are awaiting the return of the prime minister outside the airport of the 6th Air Wing [in Bangkok] because they were not allowed to enter the airport.

Ministers Discuss Chatchai Resignation Rumors

*BK2111131590 Bangkok Domestic Service in Thai
1200 GMT 21 Nov 90*

[By Radio Thailand correspondent—recorded]

[Text] Rumors were rife all day long saying that the prime minister has decided to resign. Correspondents of the Public Relations Department said that the rumors were prompted by the absence of the commanders of the three branches of the Armed Forces as well as the supreme commander from the weekly breakfast meeting with the prime minister. The prime minister also did not show up for work at Government House.

Meanwhile, several cabinet ministers went to meet Deputy Prime Minister Pramuan Saphawasu. They include the president of the Parliament, Police Second Lieutenant Wan Chansu.

There was a report that the prime minister had left for an audience with the king at Puphan Palace in Sakon Nakhon Province.

Answering newsmen's question, Parliament President Wan Chansu said he knew nothing about the report on the prime minister's impending resignation. He said that he went to Government House to have lunch with his son who works at Government House. The president of the Parliament ruled out as unlikely the news that prime minister is going to resign.

Deputy Interior Minister Sano Thianthong said during an interview with newsmen that he did not think the prime minister would resign at this moment, although he admitted the prime minister mentioned some months ago that he felt uneasy concerning the impending cabinet reshuffle. Sano said he did not think the prime minister would resign now but that he would carry out a cabinet reshuffle as promised.

Most of the cabinet ministers from the coalition parties, when asked about today's rumors, said they knew nothing about it. Should the prime minister really want to resign, however, many political parties have expressed readiness to support Chatchai as prime minister again and to cooperate with him in forming a new government. Some of the parties have expressed reservation, however, saying they would first have to discuss it with members of their respective parties.

Deputy Prime Minister Thongyot Chittawira, who is deputy leader of the Social Action Party, said he knew nothing about the prime minister's impending resignation. Anyway, he said this is something usual in a democratic system, true or untrue. He said he personally supports the prime minister, but, concerning his party, he must first see if other party members would be willing to support Chatchai.

Agriculture and Cooperatives Minister Chuan Likphai, deputy leader of the Democrat Party, who was asked to comment about the news about Prime Minister Chatchai's impending resignation, said he will believe the news only if there is an official announcement to that effect.

Military 'Will Not Raise' Reshuffle Issue

*BK2111011190 Bangkok BANGKOK POST in English
21 Nov 90 p 3*

[Text] The military will not raise the issue of Cabinet reshuffle with Prime Minister Chatchai Chunhawan again, Supreme Commander General Sunthon Khongsomphong said yesterday. "We will keep quiet and will not get involved in any argument," he said.

Gen Sunthon is scheduled to have a working breakfast with the Prime Minister at his Soi Ratchakhru residence this morning.

Gen Chatchai said after yesterday's Cabinet meeting that a reshuffle was being considered and all coalition party leaders would discuss the matter together "because we are a coalition government." Asked if he thinks his administration will last its full four-year term, Gen Chatchai replied: "I am still here now."

Deputy Interior Minister Sano Thianthong denied the reshuffle issue was discussed at Monday's meeting of coalition party leaders at Government House.

However, Mr Sano said he believed that sooner or later the Cabinet would have to be reshuffled. "But since this

is a delicate issue, it cannot be rushed because if criticism persists even after there is a Cabinet reshuffle, then it will be bad."

Meanwhile, about 20 student activists from Ramkhamhaeng University yesterday submitted a letter to a Government House official calling on the Prime Minister to "show political courage and stop military interference in politics".

Minister on SRV Talks; Do Muoi Plans Visit

*BK2011121690 Bangkok Voice of Free Asia in Thai
1030 GMT 20 Nov 90*

[Text] Vietnamese Prime Minister Do Muoi will visit Thailand at the end of January next year. Two draft agreements on the protection of investment in Vietnam between the two countries and on establishment of a joint Thai-Vietnamese economic committee will be signed during his visit.

Speaking to reporters after returning from his visit to Vietnam from 14 to 16 November, Kon Thappharangsri, minister attached to the Prime Minister's Office, said that during his meeting with Vietnamese Foreign Minister Nguyen Co Thach on 15 November, the latter told him that former Vietnamese Ambassador to Thailand Le Mai was working for the draft agreements. Kon said that the two draft agreements were under consideration by both sides. In addition to the two agreements, the two sides will also discuss a draft agreement on avoidance of double taxation between the two countries.

Kon also said that he had met Vietnamese minister for cooperation and investment. Vietnam wanted Thailand to provide assistance for its rice exports because Thailand has had experience in rice trading for a long time.

U.S. Accused of 'Dirty Tricks' in Aviation Talks

*BK2111061390 Bangkok MATICHON in Thai
21 Nov 90 p 4*

[Text] The United States is once again playing dirty tricks in trying to change Mahidon Chantharangkun, the head of the Thai team negotiating Thai-U.S. aviation rights. Siphum Sukkhanet, the permanent secretary for communications, countered that regardless of who the negotiators are, Thai policy remains the same. A counselor to the U.S. ambassador has made an appointment with a communications ministry official to clear up the aviation rights issue.

According to a commercial aviation source, ever since the termination of the Thai-U.S. aviation rights on 2 November, U.S. airlines have again been trying to push for the replacement of Mahidon Chantharangkun, deputy permanent secretary of the commerce ministry, as chairman of the committee on Thai-U.S. aviation rights negotiations before the beginning of a new round of negotiations. The U.S. side has already initiated contacts for negotiations at the official level. Moreover, a U.S. Embassy counselor has

asked for an appointment with Siphum Sukkhanet, permanent secretary of the Communications Ministry and chairman of the government committee, to discuss over a meal the possible resumption of negotiations on bilateral aviation rights. The appointment was not kept because Siphum was busy.

The source said the U.S. side previously tried to change the Thai negotiating team before the second round of negotiations which took place in Thailand, hoping that a change in the head of the team would soften the Thai position.

The source said: "They have constantly tried to make allegations against the Thai side, specifying that Mahidon has no knowledge in this field and his position had been aggressive. Mahidon was following government policy; regardless of who heads the Thai team, he will have to follow the policy."

Siphum Sukkhanet, chairman of the government committee, has said that regardless of who heads the negotiating team, he will have to follow the government policy of equal aviation rights. He said: "Whoever performs the negotiations, he will have to follow the policy of the government committee, of which I am the chairman."

Minister, Security Chief on Burmese Students

BK2011152590 Bangkok Army Television Channel 5 in Thai 1230 GMT 20 Nov 90

[Interview with Foreign Minister Subin Pinkhayan by unidentified reporters on 20 November; place not given—recorded]

[Text] Foreign Minister Subin Pinkhayan said there are 2,000 Burmese students in Thailand, and they will have to come under constant control by the authorities.

[Begin recording in progress] [Subin] We have not discussed that with them, but we have the number of students and their whereabouts. We have requested the UNHCR [United Nations High Commission for Refugees] to provide us the list of their names.

[Reporter] Do we have any contact with Burma on this problem?

[Subin] No, Burma.... Well, its embassy here has taken note of the situation at present.

[Reporter] Do you mean there would be measures [words indistinct]?

[Subin] Any measures to be implemented would be the measures adopted by the government. [end recording]

Meanwhile, Suwit Sutthanukun, secretary general of the National Security Council [NSC], told Television Channel 5 today that officials of the NSC had held a meeting with the Interior Ministry and military authorities about a plan to group the Burmese students in areas along the border to make control by Thai authorities easy. Concerning expenses, the UNHCR already provides Burmese students a monthly allowance of 3,000

baht each. The authorities are now tracking down the students who keep changing locations in Bangkok to prevent them from causing further trouble.

Measures To Control Burmese Dissidents Viewed

BK2011144990 Bangkok BAN MUANG in Thai
20 Nov 90 p 5

[Tamolo column: "Tough Action by the National Security Council"]

[Excerpts] Thailand's National Security Council [NSC] is taking tough action against dissident Burmese students. [passage omitted]

At present there are about 400 dissident Burmese students and monks living along the border. Some 700 to 800 Burmese reside in Bangkok. Some of them live in monasteries, while others live in rented houses and dormitories where Thai students stay.

These Burmese have increasingly posed problems for the Thai Government, because the Burmese air pirates that hijacked a Thai airliner to land in Calcutta recently are Burmese students seeking refugee in Thailand. The recent lobbing of hand grenades into the Burmese Embassy compound in Bangkok is believed to have been done by Burmese students.

Furthermore, these dissident Burmese students and refugees have received financial assistance from the United Nations High Commission for Refugees [UNHCR]. Each student receives a monthly allowance of 3,000 baht, while each monk is given 2,000 baht. No one would mind granting financial assistance for humanitarian reasons, but if the money is spent on activities against the Burmese military government, then it breaks Thai laws, because Thailand still has relations with Burma. Such activities would affect relations between the two countries.

Groups of Thais have called on the Thai Government to pressure the Burmese military government to return sovereignty to the Burmese people. I do not agree with such a move, because it is a Burmese internal affair. Burmese internal problems must be solved by the Burmese themselves. Outsiders have no rights to do so. We have already been given a lesson that we have to remember with pain when we engaged ourselves in ideological warfare in Indochina. Our involvement created rifts with other countries. Even now there remains some degree of distrust of one another.

I do not agree with and oppose the plan to put dissident Burmese students and monks into a refugee camp. It seems too cruel. I believe that only 1,200 students would not be too many for the police to control. Even a million aliens are controllable. These Burmese students and monks should be given opportunities to receive further education so they will not have too much spare time to think about nonsense.

In the case of UNHCR officials who have exercised their duties inappropriately, Thailand should submit an official protest directly to the United Nations.

Yala Schools Rema'n Closed Following Attacks

*BK2011035790 Bangkok BANGKOK POST in English
20 Nov 90 p 2*

[Text] Yala—Terrified teachers at three remote schools in this southern province still did not dare turn up to teach their classes yesterday, despite armoured personnel carriers being sent to protect them.

The joint civilian-police-military command in Yarang District sent two armoured personnel carriers to take the teachers to school following armed attacks on them by BRN [Baranni Revolutionary National] separatist bandits last week. However, none of the teachers turned up at the pickup point and the three schools in this district remained closed yesterday. The schools are, Tanoh Puteh Nai, Nikhom Pattana Pak Tai 3 and Ban Tamnob. Authorities expect the teachers to return to their schools today.

Meanwhile, the Bannang Sata District Primary Education Office held a meeting with representatives of teachers from 38 schools as well as local administrative and military officials. The military informed the gathering that they have increased patrols to give teachers more protection and launched an offensive against separatists. The teachers asked for special protection for five schools in remote area. They are, Tanthip, Satu, Hat Sai, Nikhom Phatthana Phak Tai 10 and Nikhom Phatthana Phak Tai 11.

Deputy Interior Minister Pol Gen Wasit Detkunchon yesterday went by helicopter to visit Songkhla's Hat Yai District where he was briefed by Governor Suwit Singchonworakum and police for two hours. After a meeting with the Yala governor and provincial police, minister Wasit said he had come to the South on the order of Interior Minister Banhan Sinlapa-acha to see the situation firsthand so that the ministry could resolve the problem.

He said the safety situation was being caused by a small group of separatists who opened fire last week on teachers under the protection of police. A police officer was killed and three were wounded but the teachers were not injured. He said the situation was having an effect on the education of children in the South because teachers do not dare to turn up at school to teach them.

Pol Gen Wasit said the Government would immediately increase police in Yala and provide vehicles and weapons for them. At present they do not have enough manpower, he said. Yala police asked the minister yesterday for 24 pickup trucks and 84 motorcycles. At present they are so short of vehicles they have to rent or borrow them from people they know.

Workers Petition Chatchai for Wage Increase

*BK1811134590 Bangkok Domestic Service in Thai
1200 GMT 18 Nov 90*

[Text] About 1,000 workers from various factories in Bangkok went to Prime Minister General Chatchai Chunhawan's residence on Ratchakhru Lane at about 1000 today to seek a meeting with him and submit a petition asking the prime minister to push agencies concerned to adjust the daily minimum wage from 90 baht to 110 baht as soon as possible. The workers were asked by security officials to wait at the entrance of the lane and send 10 representatives to submit the petition. The worker representatives handed the petition to Kraisak Chunhawan, an adviser to the prime minister, and Labor Department Director Prasong Rananan.

In short, the petition says the present cost of living has increased considerably, making workers unable to subsist at the current daily minimum wage. Workers, therefore, ask that the minimum wage be raised to 110 baht daily this month. The petition also asks that the government raise the people's living conditions and amend the Interior Ministry law to define the minimum wage rate as one that enables a worker and two members of his family to subsist.

The prime minister's adviser and the Labor Department director told the workers' representatives that their petition would be submitted to the prime minister for consideration. The Labor Department director, meanwhile, will submit the petition to the wages committee for consideration, but he cannot promise an adjustment this month because a decision hinges on the committee. The workers ended their gathering this afternoon.

First Payments Deficit 'in Many Years' Reported

*BK1511035990 Bangkok THE NATION in English
15 Nov 90 p B1*

[By Charuwan Loetwinyu]

[Excerpt] Thailand's balance of payments sunk to a deficit for the first time in many years in October, causing concern among the monetary authorities that the foreign exchange reserves might start declining. The deficit of Bt [Baht] 3 billion last month is believed to have triggered a statement by Wichit Suphinit, governor of the Bank of Thailand, that the interest rate ceiling on loans might have to rise next month.

Phisit Lihatham, deputy director of the central bank's Research Department, said the economy may have already started showing signs of being in trouble as in October the consumer price index also rose two percent from September. He said the central bank was only waiting for statistics on commercial banks' deposit and credit performances in October.

According to bankers, the preliminary figures for October showed that the growth in credit dropped substantially among the five largest commercial banks.

Siri Kancharoendi, director of the Research Department, said since the outbreak of the Gulf crisis the growth in savings has declined and the prospect is discouraging, given the expected decline in the earnings of the people because of lower growth in the world economy.

He said it was imperative that the plan to mobilize more savings in order to realign savings and lending balances should start now. [passage omitted]

Central Bank Raises Standard Lending Rate

BK1411024590 Bangkok BANGKOK POST in English
14 Nov 90 p 17

[Excerpt] The Bank of Thailand will raise its standard lending rate from 9.5 percent to 12 percent, effective today, giving a clear signal it plans to raise the official loan rate ceiling soon.

The announcement on the raising of the standard rate, the interest rate on loans given by the Bank of Thailand to commercial banks through the loan window, was signed by Governor Wichit Suphinit.

The central bank has also increased the amount of funding available for commercial banks to borrow from the central bank from 5,985 million baht to 13,320 million baht, a move aimed at injecting more liquidity into the local money market.

The Bank of Thailand implemented two other measures with immediate effect yesterday to boost liquidity.

The first is a reduction in the government bond holding requirement on commercial banks wanting to open new branches. The requirement was reduced from 16 percent to 9.5 percent of each bank's outstanding deposits.

The other measure was a reduction in commercial bank holdings of government bonds as legal reserves. This requirement was reduced from 10 percent to 8 percent so the banks will have more bonds for sale on the repurchase market. The repurchase market hours were also extended, from 3 p.m. to 4 p.m.

Meanwhile, a source said an increase in the official lending rate ceiling above 16.5 percent was now inevitable.

"This is because the inflationary pressure is increasing drastically," he said. "The consumer price index in October alone rose by almost two percentage points above the normal rate of 0.4-0.5 percent a month." [passage omitted]

Vietnam

Further Reportage on Visit of Suharto, Delegation

'Text' of Suharto Dinner Speech

BK2111103590 Hanoi Domestic Service
in Vietnamese 1430 GMT 19 Nov 90

["Text of reply speech" by Indonesian President Suharto at the state dinner given by Vo Chi Cong, chairman of the Council of State, in honor of the visiting Indonesian president and his party at the Presidential Palace in Hanoi on the evening of 19 November—read by announcer]

[Text] Your Excellency Council of State Chairman Vo Chi Cong,

Excellencies,

Ladies and gentlemen:

Since my arrival in Vietnam, land of the heroic Vietnamese people, I have received a very warm welcome full of friendship. I believe that such a welcome is a sign of great friendship extended by the Vietnamese people to the Indonesian people. My visit to Vietnam at the kind invitation of the Vietnamese Council of State chairman is aimed at strengthening the bilateral friendly relations and consolidating cooperation between our two peoples. I have long wished to visit this beautiful country; now my wish has come true. In Vietnam, I do not feel I am among strangers because the Vietnamese people are well known to the Indonesian people. Vietnam is a symbol of the victory of the people, who cannot be easily subjugated by foreign forces, no matter how great they are.

The Indonesian people also experienced a similar struggle. We fought to regain and protect national independence with our own strength against the colonialists, who were many times stronger than we were. Experiences gained in the historic struggle for national independence in Vietnam and Indonesia show that no foreign forces can suppress the spirit of independence, dignity, and self-determination of a nation. I feel very proud that our struggle was clearly realized by the heroic Vietnamese people as expounded in the speech of his excellency the Council of State chairman, who extended his kind words and commendations. These expressions symbolize the close friendship between our two nations and peoples. Please allow me, Mrs. Suharto, and my delegation to express our profound gratitude for these kind words and the warm hospitality extended to us.

Your Excellency, history shows that our two nations' relationship was established many centuries ago. This relationship has been strengthened in the common struggle to liberate our nations from the colonial yoke. As developing countries and members of the Nonaligned Movement, we are doing our best to promote our people's happiness and prosperity. Our two nations also wish for a world of peace and stability in which all

nations respect one another and participate in cooperation programs for mutual interests. For this reason, Indonesia has warmly welcomed fundamental changes in the relations between nations. Now that nations advocate the settlement of conflicts through talks and peaceful negotiations rather than using forces, these changes will surely contribute to consolidating mankind's aspiration for peace and stability in the world. The changes also provide nations with favorable conditions to develop and advance further to achieve progress and social justice. However, we should realize that tense situations in some regions are still prevalent and that new conflicts are of prime concern. We are also worried about the prevailing gaps and differences between developing and developed countries. As a result, we should consistently strive to strengthen the South-South cooperation and support the North-South negotiations to create a new world economic order, that of equality and stability.

Your Excellency, since 1967, Indonesia and other ASEAN member countries have made great efforts in building Southeast Asia into a zone of peace and stability. In this spirit, Indonesia and these nations are elated to note that efforts to seek a long-lasting comprehensive solution to the Cambodian issue is almost achieved. The settlement of the Cambodian problem will write a new page in the history of Southeast Asia amid new trends in the world. The settlement to the problem not only helps stop misery for the Cambodian people but also creates greater possibilities for nations in the regions to strengthen their cooperation for mutual interests. For this reason, Indonesia earnestly hopes that, while efforts are being made to seek a solution to the Cambodian issue, relations between nations in the region will be strengthened and consolidated.

My visit to your beautiful country, exchanged visits by leaders of our two nations, and our current close relationship are symbols of encouraging progress in the region. I am convinced that the increasingly expanded cooperation in the economic, scientific, and technological fields between our two nations will help accelerate the development programs being carried out by our two peoples. Moreover, We also closely monitor the renovation cause being implemented by the Vietnamese people. We share with you our pleasure in noting that initial results have been achieved in this cause. On this occasion, I would like to convey to the Vietnamese people my congratulations for your achievements in the development programs, especially in the agricultural domain which is symbolized by the increase of grain production output. In fact, Vietnam has regained its position as one of the rice export nations.

Ladies and gentlemen, Indonesia has now entered the most important phase of national development. We are in the last years of our fifth five-year development program, which is the final part of our first 25-year long-term development program. Next, we will embark on the second 25-year development program which we hope will mark an era of economic boom.

We note with much pleasure that after more than two decades of development, we have made encouraging progress and have secured a fair income distribution system. Along with our continued efforts to step up agricultural production and to consolidate our ability to be self-sufficient in food supply, we have begun to increase our industrial production output. We stand ready to share our development experiences with Vietnam, including the lessons we have learned from our achievements and setbacks. We believe that each country has its own development strategies and goals. In this world, no model development strategies can be applied to all countries without selections first.

Anyway, the exchanges of views and experiences are always useful. Our personal experiences indicate that in a world like today's world where the various countries have established closer relations, if a country promotes cooperation with other countries, that country will accelerate the course of national development without losing its characteristics and goals. In this connection, I attach great significance to the signing of the agreement on economic, technical, and scientific cooperation between Indonesia and Vietnam as well as to our consensus on the establishment of an economic cooperation commission.

All these developments are historic landmarks in the relations between our two nations and peoples. I am particularly happy with the historic landmark set by my current Vietnam visit.

In today's world where very important developments have taken place, each sovereign country has its own solutions to the challenges it is facing. The preamble of our Constitution has pointed out that it is necessary for Indonesia to help build a world order based on independence, mutual respect, peace, and social justice. It has been ascertained in the beginning of our Constitution that each nation is entitled to its own independence and that colonialism must be eliminated from this world because it is inconsistent with humanitarianism and justice. Henceforth, we believe that the world will be a peaceful place for all nations and peoples, provided that all countries abide by the principles based on respect for one another's national sovereignty, on non intervention in one another's internal affairs, and on the promotion of cooperation for the sake of mutual interest.

Imbued with this spirit, I highly value the exchanges of views with the Vietnamese leaders during my visit. I firmly believe that those exchanges of views will help promote the mutual understanding, trust, and friendship between our two nations and peoples. The Vietnam-Indonesia relations are our common contribution to stability, peace, and development in the region, Asia, and the rest of the world.

Lastly, with such hopes, may I now call on all honorable guests to join me in a toast to the health and happiness of His Excellency Council of State President Vo Chi Cong, to the progress and prosperity of the people of the

Socialist Republic of Vietnam, and to the everlasting friendship between the peoples of Indonesia and Vietnam.

Cooperation, Friendship Stressed

*BK2011161390 Hanoi VNA in English 1501 GMT
20 Nov 90*

[Text] Hanoi VNA Nov 20—General Secretary of the Communist Party of Vietnam Central Committee Nguyen Van Linh today cordially received Indonesian President Suharto who is in Hanoi on an official friendship visit to Vietnam.

At the reception, General Secretary Nguyen Van Linh and President Suharto informed each other of the situation in their respective countries and exchanged views on recent developments in the region and the world. The two sides stressed their considerable importance of cooperation between Vietnam and Indonesia in the interests of the two peoples and of the objective of making Southeast Asia a region of peace, stability and cooperation.

General Secretary Nguyen Van Linh and President Suharto expressed their common determination to strengthen the friendship and cooperation in all fields between the two countries.

The reception took place in the atmosphere of friendship and mutual understanding and trust.

Mausoleum, Museum Visited

*BK2011162190 Hanoi VNA in English 1517 GMT
20 Nov 90*

[Text] Hanoi VNA Nov 20—President and Mrs. Suharto and their party this morning paid a floral tribute to President Ho Chi Minh at his mausoleum and visited his residence and office. This afternoon, the distinguished Indonesian guests called on the Army museum. They were accompanied by Vice Chairman of the Council of Ministers Tran Duc Luong. Later, they called on the tailoring factory "Chien Thang" (victory), one of Hanoi's state-owned manufacturers of export garments.

Details of Tours Given

*BK2111073390 Hanoi Domestic Service
in Vietnamese 1430 GMT 20 Nov 90*

[Text] This afternoon President Suharto of the Republic of Indonesia, his wife, and the distinguished Indonesian guests on a friendly visit to our country visited the Military Museum and the Chien Thang Textile Enterprise in Ba Dinh Precinct in Hanoi. Vice Chairman of the Council of Ministers Tran Duc Luong accompanied the delegation.

At the Military Museum, the Colonel General Dao Dinh Luyen, deputy minister of national defense, and staff at the museum warmly received President Suharto and the delegation.

President Suharto, his wife, and the distinguished guests attentively looked at the photos of President Ho Chi Minh with the armed forces and the photos of the Chairman of the Council of Ministers Pham Van Dong visiting Indonesia, the photos of Vice Chairman of the Council of Ministers General Vo Nguyen Giap visiting Indonesia, and the photos of the Chairman of the Council of Ministers Do Muoi receiving Indonesian scientists in Ho Chi Minh City.

President Suharto stopped for a while at the exhibition of the brave struggle of our Army and our people against the destructive war by American air and naval Forces in Vietnam. In particular, President Suharto, his wife, and the Indonesian distinguished guests examined carefully the model of the Dien Bien Phu battle in May 1954 and the model showing the general offensive attack and uprising of our Army and people in the spring of 1975 to liberate and unite the country.

After leaving the Military Museum, President Suharto and the distinguished Indonesian guests visited the Chien Thang Textile Enterprise where they were warmly welcomed by Minister of Light Industry Dang Vu Chu, staff, and workers. President Suharto and his wife visited the factory and gave souvenir gifts to the enterprise's staff and workers.

Talks With Vo Chi Cong, Do Muoi

*BK2011161590 Hanoi VNA in English 1504 GMT
20 Nov 90*

[Text] Hanoi VNA Nov 20—State Council President Vo Chi Cong and Chairman of the Council of Ministers Do Muoi held talks on separate occasions here this morning with Indonesian President Suharto who is on an official friendship visit to Vietnam.

During his talks with President Suharto, President Vo Chi Cong expressed the Vietnamese people's desire for peace to build their country, and laid stress on Vietnam's foreign policy of independence, sovereignty and friendship with other nations on the basis of equality and mutual respect and benefit. He also laid particular policy of contributing to the development of the friendly, cooperative and good-neighbourly relations with other Southeast Asian countries, and of joining them in the common effort for a peaceful, stable, friendly and cooperative Southeast Asia, in which the relationship between Vietnam and Indonesia plays a greatly important role.

For his part, President Suharto highlighted his country's independent and positive foreign policy aimed at national self-reliance and regional self-reliance. He gave an account of the common efforts of the ASEAN countries in realizing the concept of a peaceful, free and neutral region. He expressed his confidence that the Indonesia-Vietnam relations will contribute greatly to peace, stability and development in Southeast Asia and the world as a whole.

During their talks, Chairman Do Muoi and President Suharto exchanged views intensively on the possibilities and orientations for strengthening all-sided relations between the two countries. They expressed their satisfaction at the constant consolidation and development of the friendship and cooperation between the two countries in many fields over the past years. They held that many potentials for bilateral cooperation still remain undeveloped as yet. They discussed measures for broadening their cooperation in the fields of energy, agriculture, banking and tourism, and showed their satisfaction at the signing of an agreement on economic, scientific and technical cooperation and the establishment of the Vietnam-Indonesia Inter-Governmental Cooperation Commission on this occasion.

Indonesian Minister Supports Aid

BK2011135690 Jakarta ANTARA in English 1029 GMT 20 Nov 90

[Text] Hanoi, Nov 20 (OANA-ANTARA)—Indonesia has voiced its support for Vietnam in getting the aid it needs for its economic development from international financial institutions. Coordinating Minister for Economy, Finance, and Industry Radius Prawiro said after his talks with his Vietnamese counterpart here Tuesday afternoon.

Indonesia has categorically stated that Vietnam has to be helped because this country has launched a renovation (doi moi) of its economic policy, orienting the economy to market forces and reducing subsidies, Radius said. Indonesia made this firm statement in meetings of the Asian Development Bank (ADB) and the International Monetary Fund (IMF) which were known to be close to Indonesia.

The policy renovation, launched by Vietnam three years ago, Radius added, has succeeded to lower inflation from 800 per cent to three per cent a month this year and to boost the production of rice. Vietnam, in fact, has been able to export 1.4 million tons of rice last year.

Indonesia, he said, recommended that Vietnam should look for untied soft loans, the use of which is loose among other things to buy goods from other developing countries.

Meanwhile, KYODO reported that Vietnamese Communist Party chief Nguyen Van Linh met Indonesian President Suharto in Hanoi on Tuesday and expressed hope for development of relations with Indonesia, officials said.

Suharto, who arrived on Monday for an official visit on his way home from a trip to Japan and China, is the first among top leaders of ASEAN to visit Hanoi. He is also the first Indonesian leader to visit Vietnam since President Sukarno visited the country in 1959.

Linh and Suharto exchanged views on bilateral relations, Vietnam-ASEAN relations, and the Cambodian problem, sources said. However, details of the talks were not made available.

Foreign Ministers Hold Talks

BK2011161990 Hanoi VNA in English 1511 GMT 20 Nov 90

[Text] Hanoi VNA Nov 20—Talks were held here today between Vice Chairman of the Council of Ministers and Foreign Minister Nguyen Co Thach and Indonesian Foreign Minister Ali Alatas.

The two sides exchanged views on recent developments in the region and elsewhere in the world. They particularly expressed their satisfaction over the two countries' cooperation in the settlement of the Cambodia issue beginning with the Vietnam-Indonesia Joint Communiqué on July 25 1987 leading to the Jakarta informal meeting and the Paris International Conference on Cambodia.

The two sides reaffirmed their readiness together with the other countries concerned to participate in an international conference on Cambodia in order to contribute to an overall political agreement for the Cambodia issue conducive to the re-establishment of peace in Cambodia and stability in the region, thus ensuring favourable international condition for Cambodia to become a peaceful, independent, neutral and non-aligned country having friendly relations with all countries, first of all those in the region. At the same time, the two sides exchanged views on measures to build Southeast Asia into a region of peace, stability and cooperation.

Later today, talks were held between Tran Duc Luong, vice chairman of the Council of Ministers, and Radius Prawiro, minister co-ordinator for economy, finance, industry and development supervision. The two sides also exchanged views on how to promote further bilateral cooperation in commerce, economy, science and technology.

The talks took place in an atmosphere of friendship and mutual understanding.

Finance Venture Contract Signed

BK2011162990 Hanoi VNA in English 1521 GMT 20 Nov 90

[Text] Hanoi VNA Nov 20—A joint venture contract in financial operations between Vietnam and Indonesia was signed here today between Dong Xuan Lan, acting director of the Vietnam Industrial and Commercial Bank, and B. Soerjantono Soerjo, member of supervisory board of the Bank Summa, Indonesia.

This first financial joint venture between Vietnam and a foreign country, named Indovina, has a prescribed capital of \$10 million dollars. It is headquartered in Ho Chi

Minh City and its operations will cover banking services in foreign currency, foreign exchange service, export and import payment, etc.

Speaking to those present at the signing ceremony, B.Soerjantono Soerjo expressed the hope that Indovina will promote Indonesia's investments and trade activities in Vietnam.

Dong Xuan Lan, for his part, disclosed that the Vietnam State Bank has received nearly ten applications of foreign banks to open their offices in Vietnam.

Alatas Cited on Bilateral Ties

*BK2111161390 Hanoi VNA in English 1538 GMT
21 Nov 90*

[Text] Hanoi VNA November 21—Indonesian Foreign Minister Ali Alatas said today that Indonesian President Suharto's visit to Vietnam was "a very important milestone which opened the prospect of greatly enhanced cooperation between Indonesia and Vietnam."

At a press conference he held here this morning jointly with his Vietnamese counterpart, Nguyen Co Thach, at the end of President Suharto's three-day visit to Vietnam, Ali Alatas said an agreement on economic, scientific and technical cooperation between the two countries has been finalized. He said: "We have especially agreed that we should enhance cooperation in the form of joint venture, in the petroleum industry, in infrastructure development such as sea port construction, air transportation, tourism, agriculture and forestry, etc. We have also agreed that within the capabilities of Indonesia we will be only too glad to share whatever experience we have gained in our national development."

He said that one of the few outstanding problems in the bilateral relations which the two foreign ministers have discussed and come near to finalization was the delimitation of the continental shelf boundary. "Indonesia is looking forward to signing an agreement with Vietnam (in this respect) as soon as possible," the Indonesian foreign minister added.

Touching upon the Cambodia question the Indonesian diplomat said: "The two co-chairmen (Indonesia and France) found that significant progress has been achieved in terms of input, i.e. suggestions to the two co-chairmen in their continuing work to prepare a draft. Minister Nguyen Co Thach shares our view that the process which has started is an important one. And he in return, shares with me, as a co-chairman, Vietnam's views, suggestions and position with regard to certain important aspects of the draft of an overall agreement which we are going to elaborate on the basis of the big-five document. I can say that these are very important input that the two co-chairmen, of course, will take into consideration..."

Asked by a correspondent of Radio Australia on the timing of the convening of the Paris International Conference on Cambodia (PICC), Ali Alatas said the two co-chairmen have expressed their intention to go a few stages. He elaborated: "The first stage was the Jakarta meeting, the next stage will be the full Coordinating Committee meeting of the PICC. That would be an opportunity for all the participants of the PICC to start looking at what a draft the two co-chairmen will prepare for that meeting, to start negotiating on the draft, to improve on it and to achieve an accepted text for everyone."

Ali Alatas said he hoped the coordinating committee meeting could convene in the first half of December and the PICC ministerial meeting could convene still within the year "but," he added, "the two co-chairmen are very realistic about the time table because we are all quite aware that while we now have a framework document, we still have to pass very sensitive, very complicated and difficult negotiations. So taking these facts into consideration we are very flexible about timing but we do hope to arrive at an agreement as soon as possible..."

Joint Warning to Cambodians

*BK2111111890 Hong Kong AFP in English 1105 GMT
21 Nov 90*

[Text] Hanoi, Nov 21 (AFP)—Vietnam and Indonesia warned the deadlocked Cambodian factions Wednesday against delaying international efforts to bring peace to Cambodia.

"We would not allow ourselves forever to be hostages of the Cambodian parties," Vietnamese Foreign Minister Nguyen Co Thach said at a joint press conference with his Indonesian counterpart Ali Alatas. "We need a solution as soon as possible," said Mr. Thach, adding that Indonesia wanted a "comprehensive solution" as much as Vietnam did.

Mr. Alatas, speaking as Indonesian President Suharto concluded a landmark visit to Hanoi, warned that "any delay" in reconvening the Paris International Conference on Cambodia "will serve no one's purpose. Time is in the hands of no one," he added.

The Cambodian factions have been haggling for two months over the leadership of the Supreme National Council (SNC), which is to represent the national sovereignty of Cambodia once a cease-fire is implemented.

"If this matter is not resolved and continues to prevent the full operation of the SNC, it will affect the peace process," Mr. Alatas said.

The Phnom Penh government has said it would accept resistance leader Prince Norodom Sihanouk as chairman of the SNC on condition that Prime Minister Hun Sen become vice-chairman, maintaining the balance of power on the council where Phnom Penh and the resistance coalition each hold six seats. The coalition, which

groups the Chinese-backed Khmer Rouge and two non-communist factions, has rejected the condition.

Mr. Alatas said he discussed the dispute briefly during his three hours of talks Tuesday with Mr. Thach, but said the Vietnamese diplomat—whose country installed and backs the Phnom Penh Government—considered the SNC leadership “mainly an internal matter” for Cambodians.

The Indonesian minister also discussed the issue late Tuesday with his Cambodian counterpart Hor Namhong, who visited Hanoi for the meeting.

Indonesia and France, the co-chairmen of the Paris Conference, are still planning to reconvene it by the end of the year, Mr. Alatas said.

An initial meeting of the conference’s coordinating committee, including representatives of all 19 conference participants, should meet in the first half of December, he said.

The SNC members have been invited to meet in Paris in the next few days following a session of the five permanent members of the the United Nations Security Council, who authored a plan to end Cambodia’s 12-year conflict.

Mr. Alatas did not reveal the date of the proposed meeting, but he stressed the Cambodian parties had “welcomed” offers of help from Indonesia and France in settling their dispute over the SNC leadership.

(Speaking to reporters on the flight back to Jakarta President Suharto said current peace efforts had been hampered by the squabble among SNC members. “Indonesia and Vietnam, as friends of Cambodia, feel the need to warn that all the achievements reached so far must not be allowed to roll back because of the SNC dispute,” Mr. Suharto said. If SNC members failed to resolve their differences, Indonesia and Vietnam “have agreed not to give any support to Cambodia,” he added.)

Cambodia's Hor Namhong Holds Meetings, Departs

*BK2111123890 Hanoi Domestic Service
in Vietnamese 1100 GMT 21 Nov 90*

[Text] Hor Namhong, foreign minister of the State of Cambodia, arrived in Hanoi on 19 November on a working visit to our country at the invitation of our foreign minister. He was accompanied by Uch Kim-an, director of the General Department [Vuj Toongr Howpj]; and Uch Borit, director of the Asia and Australia Department of the Cambodian Ministry of Foreign Affairs.

Foreign Minister Nguyen Co Thach cordially received and held talks with Minister Hor Namhong and his party. The two sides exchanged views on relations between the two countries, the promotion of a comprehensive political solution to the Cambodian issue, and other regional and international issues of mutual concern. The talks proceeded in a cordial and friendly atmosphere permeated with Vietnamese-Cambodian solidarity. Vice Foreign Minister Tran Quang Co and Cambodian Ambassador to Vietnam Tep Hen also took part in the talks.

On 20 November Minister Hor Namhong held talks and exchanged views on the Cambodian issue with Indonesian Foreign Minister Ali Alatas, cochairman of the Paris International Conference on Cambodia.

On 21 November, Minister Hor Namhong left Hanoi for home, concluding his successful visit to Vietnam.

Illegal Emigration Case To Come to Trial

*BK1311094190 Hanoi Domestic Service
in Vietnamese 2300 GMT 12 Nov 90*

[Text] The Public Security Office of Vung Tau-Con Dao Special Zone recently completed investigating a case of large-scale organized illegal emigration. The local Organ of Control is performing the final formalities to bring the case to trial.

Australia

Australian Arabs To Seek Release of Hostages

BK2111072990 Melbourne Overseas Service in English
0500 GMT 21 Nov 90

[Text] A delegation of Australian Arabs is due to meet an Iraqi deputy prime minister, Mr. Ramadan, in Baghdad later today to appeal for the release of 30 Australians being held hostage in Iraq. Radio Australia's Middle East correspondent, Greg Wildsmith, says the opportunity to meet Mr. Ramadan is important because he chairs a committee which assesses requests for hostages to be released. He says the delegation may also be invited to meet Iraq's president, Saddam Husayn.

Wildsmith quotes a spokesman for the delegation as saying that the presence of two other Australians in Baghdad seeking the release of hostages has not been helpful because it has distracted the Iraqi authorities. The other Australians are a former Labor Party federal minister, Mr. Tom Uren, and former leader of the Democrats Party, Ms. Janine Haines. Both delegations are on private missions not endorsed by the Australian Government.

Fiji

Deficit Budget Stresses Tourism, Deregulation

BK2111093090 Hong Kong AFP in English 0754 GMT
21 Nov 90

[By Davendra Sharma]

[Text] Suva, Nov 21 (AFP)—The interim government announced Wednesday a deficit budget for 1991 of 20.4 million Fijian dollars (14.5 million U.S.), incorporating tax cuts aimed at boosting the duty-free industry for tourists and pushing deregulation.

Finance Minister Josevata Kamikamica said government expenditure of 605.4 million dollars (429.8 million U.S.) would restrict grants to the Armed Forces, which this year received the second largest allocation behind education but well ahead of priority areas like health and primary industries. He told a press conference that such expenditure was "no longer appropriate" for a country which would soon be under an elected government.

The 1991 deficit compares with 28 million dollars (19.8 million U.S.) for 1990. Of government expenditure, 490 million dollars (348.5 million U.S.) are allocated for operational activities like salaries, while 114.5 million (81.3 million U.S.) are for capital projects.

The government expects revenue next year of 548.4 million (389.3 million U.S.) while about 12.7 million dollars (nine million U.S.) would fund tax cuts. Mr. Kamikamica said 112 million dollars (79.5 million U.S.) would be repaid in public debts, including part of the country's 371 million U.S. dollar foreign debt.

Fiji's economy suffered a major blow after two military coups in 1987 but made a significant recovery with a 12.5 per cent growth in 1989 and a more modest growth of 5.3 per cent in 1990.

Mr. Kamikamica said the interim government installed after the coups anticipates 3.4 per cent growth in 1991 as a result of an export production boom expected in Fiji's new manufacturing industries, set up in tax free zones. He said tax burdens would be slashed and made more equitable, but "there is still a fair way to go before our domestic industries become anywhere close to being competitive to world standards."

The minister also forecast the introduction of a broad-based consumption tax in the form of a value-added tax [VAT] from July 1992. "The VAT will replace the existing indirect taxes, custom duties, excise duties, services and hotel turnover tax", Mr. Kamikamica said.

He denied the government had been pressured by the World Bank to cut grants for the army, which would get 38.03 million Fijian dollars (27 million U.S.) next year.

Israel would give two navy patrol boats to the Armed Forces while the Fiji Government would help the army train helicopter pilots for a planned air wing.

As the government moves towards corporatising state owned enterprises it will impose a new company income tax on profits incurred by all statutory bodies and public entities from 1991.

Other tax reform policies include:

- broadening the tax base by removing the poverty trap, exempting incomes less than 3,000 dollars (2,130 U.S.).
- providing tax concessions to farmers.
- cuts in duties on deregulated items.
- removal of import licence controls and replacing them with tariff protection measures.
- reduction in duties on items like cosmetics, leather goods, porcelain and earthenware which are favoured by tourists to assist the duty free trading sector. "It is in line with government policy of encouraging duty free trading," which is a major attraction to Fiji's 250,000 visitors from Australia, Japan, North America and New Zealand, Mr. Kamikamica said.
- cuts in export duty on gold, silver, sugar and molasses from five to two per cent.

The minister said as part of its deregulation drive, which he said would start paying dividends to manufacturers in about 10 years, the government would deregulate wage settlements. He said changes would be made to trade union legislation "so that unions who go on strike are made responsible for their actions." "At present they are immune, but I think if their strikes are illegal they should be taken to court," he said.

The government would continue to push for a greater involvement of indigenous Fijians in commerce and training, which is dominated by ethnic Indians.

French Polynesia

More Trade With Australia, Nuclear Tests Viewed

*BK2111080490 Hong Kong AFP in English 0742 GMT
21 Nov 90*

[Text] Papeete, Nov 20 (AFP)—French Polynesian and Australian officials Tuesday expressed hopes for greater two way trade despite differences on nuclear tests in the French Pacific territory.

Visiting Australian Foreign Minister Gareth Evans told reporters that Canberra's anti-nuclear testing stance would not harm relations with the French territory, granted internal autonomy in 1984.

Phosphate mining, processed food and pearl sales could boost the territory's trade in the region with Australian help, he said.

Territory president Alexandre Leontieff said that disputes about nuclear testing at Mururoa Atoll were with Paris not the administration at Papeete. "I said to Mr. Evans that even if there are problems between France and Australia, it's not sufficient reason not to have good relations with the local government," he said in an interview.

Mr. Evans, Canberra's first foreign minister to visit here, said that Papeete would not suffer because of the nuclear testing on Mururoa, about 1,200 kilometres (750 miles) south east of here. "The only discordant note that exists with France and French territories in the region relates of course to the continuing nuclear testing program," he said. "I don't think it can be said to be an issue that does any harm to relations between Australia and French Polynesia. In terms of the relationship with France it's a continuing irritant but generally speaking Australia's bilateral relationship with France is better today than it has been for a long time."

Australia protests whenever a nuclear test is carried out in the territory, the most recent being last week.

Mr. Evans also met with French High Commissioner Jean Montpezat and opposition political party leaders, many of whom oppose nuclear testing here. He had offered "moral and philosophical encouragement" in pursuit of that cause, he said.

Mr. Evans said that Canberra would help market Polynesian exports and the territory would hold a trade exhibition in the southern city of Melbourne next year.

An Australian trade delegation just visited French Polynesia and Newmont mining's attempts to open a phosphate mine here were progressing, he said.

Last year Australian exports to French Polynesia totalled 68 million Australian dollars (52 million U.S.) while it only imported 300,000 dollars (230 million U.S.) in return.

New Zealand

Minister Insists on Agriculture in GATT Talks

*BK2111053290 Hong Kong AFP in English 0517 GMT
21 Nov 90*

[Text] Wellington, Nov 21 (AFP)—A European Community diplomat's comments that agriculture might be taken off the agenda of forthcoming GATT talks was described here Wednesday as a "propaganda ploy." And New Zealand's Trade Negotiations Minister Philip Burdon repeated that agriculture would not only be on the agenda at the talks on a new round of the General Agreement on Tariffs and Trade, but it would be the "key issue."

The head of the EEC's delegation to New Zealand and Australia, Juul Jorgensen, told Radio New Zealand Wednesday it was possible that agriculture would be taken off the agenda for talks in Brussels next month. He said the gap between the EEC's offer to reduce farm subsidies by 30 per cent and the United States and Cairns Group proposals for a 75 per cent reduction was not as great as some people had suggested.

New Zealand's chief negotiator in Brussels, Dick Nottage, said in an interview that Mr. Jorgensen's comments were "the EC's latest propaganda ploy."

Mr. Burdon said he had already told Mr. Jorgensen that the EEC's proposals were "totally inadequate." He said there was no chance of agriculture being removed from the agenda. "There is no doubt in my mind that agriculture will be on the agenda at Brussels and will be the key issue for discussion," he said.

In a statement he said he only wished the gap between the EEC and the Cairns Group was not so large. "The truth is that a comparison of numbers as suggested by Mr. Juul Jorgensen is simplistic and ignores other fundamental aspects of the respective offers."

He said the Cairns Group of agricultural nations, which is striving to free up world trade, was seeking comprehensive reforms in export subsidies, border protection and internal support. "The EC is offering no specific disciplines on export subsidies—widely recognised as the most distorting policies. There is therefore a big gap to bridge and we will have a lot of work to do in Brussels."

